



# fourth tourism masterplan

2013-2017

volume 1 : strategic action plan



# FOURTH TOURISM MASTER PLAN

## 2013-2017

VOLUME 1: STRATEGIC ACTION PLAN

Ministry of Tourism Arts & Culture

Republic of Maldives

September 2013

Copyright © 2013 Ministry of Tourism Arts and Culture

FOURTH TOURISM MASTER PLAN 2013-2017

VOLUME 1: STRATEGIC ACTION PLAN

ISBN 978-99915-869-1-5

Published by the Ministry of Tourism Arts & Culture  
Male', Republic of Maldives  
[www.tourism.gov.mv](http://www.tourism.gov.mv)

All rights reserved: No parts of this document may be reproduced stored in a retrieval system, or transmitted in any form or by any means electronic, mechanical, by photocopying, recording, or otherwise without the prior written permission of the Maldives Ministry of Tourism Arts & Culture.

Cover layout design by Mr. Hassan Saeed

Printed by: M7 Print Pvt Ltd

Male', Maldives

**TABLE OF CONTENTS**

**1 INTRODUCTION ..... 1**

Reasons for a Tourism Master Plan..... 1

Contributors..... 1

Format and Approach ..... 2

Focal Point for Follow Up..... 3

**2 SNAPSHOTS FROM THE ANALYSIS..... 4**

Arrivals Performance ..... 4

Economic Significance..... 5

Financial Significance ..... 6

Market Trends ..... 8

Motivations ..... 9

Market Projections ..... 10

Accommodation..... 11

Geographic Spread of Resorts and Hotel Development ..... 13

Transport..... 16

Development Patterns..... 17

Projections and Targets for the Tourism Sector ..... 18

**3 STRATEGIC ACTION PLAN FOR TOURISM..... 21**

## LIST OF TABLES

Table 2-1: Tourism Receipts and Growth Rates 2006 – 2011 (Million U.S. Dollars).....	7
Table 2-2: Government Expenditure on Tourism 2006 – 2011 (Million Rufiyaa) .....	7
Table 2-3: Maldives’ Tourist Source Markets, 2001 and 2011 .....	8
Table 2-4: Purpose of Visit to Maldives, by Source Market, 2008 and 2011 .....	9
Table 2-5: Estimates of Future Tourist Arrivals, 2016 and 2021 .....	10
Table 2-6: Summary of Existing and upcoming resorts and hotels as of end October 2012	12
Table 2-7: Tourism Sector Key Performance Projections 2013 to 2021 .....	20

## LIST OF FIGURES

Figure 2-1: Tourist Arrivals to the Maldives 2000– 2011 .....	5
Figure 2-2: GDP by Sectors 2011 .....	6
Figure 2-3: Tourist Accommodation Bed Capacity in the Maldives 2000 - 2011 .....	11
Figure 2-4: Resorts and hotel developments before and between masterplans (also showing underdeveloped leases) .....	14
Figure 2-5: Accumulated development of resorts and hotels (also showing underdeveloped leases) .....	15
Figure 2-8: Seaplane Routes and Distances (Left), Existing and Upcoming domestic air linkages (Middle) and Common Safari Routes (Right).....	16
Figure 2-9: <u>1984</u> = development concept proposed in the 1TMP / <u>2012</u> = current situation / <u>2020?</u> = possible high growth scenario .....	17

## ABBREVIATIONS

<i>ADB -</i>	<i>Asian Development Bank</i>
<i>CAA -</i>	<i>Civil Aviation Authority</i>
<i>CIP-</i>	<i>Commercially Important People</i>
<i>DAM -</i>	<i>Divers Association of Maldives</i>
<i>DMO -</i>	<i>Destination Management Organization</i>
<i>DNP -</i>	<i>Department of National Planning</i>
<i>DRT -</i>	<i>Disaster Response Team</i>
<i>EIA -</i>	<i>Environmental Impact Assessments</i>
<i>EMS -</i>	<i>Environment Management Systems</i>
<i>EPPA -</i>	<i>Environmental Protection and Preservations Act</i>
<i>FHTS -</i>	<i>Faculty of Hospitality and Tourism Studies</i>
<i>FDI -</i>	<i>Foreign Direct Investments</i>
<i>EU -</i>	<i>European Union</i>
<i>FTMP -</i>	<i>First Tourism Master Plan</i>
<i>GDP -</i>	<i>Gross Domestic Product</i>
<i>GIACL -</i>	<i>Gan International Airport Company Limited</i>
<i>ICT -</i>	<i>Information and Communications Technology</i>
<i>IHCS -</i>	<i>Institute of Hotel and Catering Services</i>
<i>LAM -</i>	<i>Live-aboard Association of Maldives</i>
<i>MATATO -</i>	<i>Maldives Association of Travel Agents and Tour Operators</i>
<i>MATI -</i>	<i>Maldives Association of Tourism Industry</i>
<i>MAYA -</i>	<i>Maldives Association of Yacht Agents</i>
<i>MCHE -</i>	<i>Maldives College of Higher Education</i>
<i>MED -</i>	<i>Ministry of Economic Development</i>
<i>MEYS -</i>	<i>Ministry of Employment, Youth and Sports</i>
<i>MHRY -</i>	<i>Ministry of Human Resources and Youth</i>
<i>MHRYS -</i>	<i>Ministry of Human Resources, Youth and Sports</i>
<i>MICE -</i>	<i>Meetings Incentives and Exhibitions</i>
<i>MIA-</i>	<i>Male' International Airport</i>
<i>MIRA -</i>	<i>Maldives Inland Revenue Authority</i>
<i>MMA -</i>	<i>Maldives Monetary Authority</i>
<i>MMPRC -</i>	<i>The Maldives Marketing and Public Relations Corporation</i>
<i>MNDF -</i>	<i>Maldives National Defense Force</i>
<i>MOFT -</i>	<i>Ministry of Finance and Treasury</i>
<i>MOT -</i>	<i>Ministry of Tourism</i>
<i>MOTAC -</i>	<i>Ministry of Tourism, Arts and Culture</i>
<i>MOTCA -</i>	<i>Ministry of Tourism and Civil Aviation</i>
<i>MOU -</i>	<i>Memorandum of Understanding</i>

<i>MPS -</i>	<i>Maldives Police Services</i>
<i>MRF -</i>	<i>Maldivian Rufiyaa</i>
<i>MTDC -</i>	<i>Maldives Tourism Development Corporation</i>
<i>MTPB -</i>	<i>Maldives Tourism Promotion Board</i>
<i>MTTB -</i>	<i>Maldives Tourism Training Board</i>
<i>NDMC -</i>	<i>National Disaster Management Centre</i>
<i>PSC -</i>	<i>Project Steering Committee</i>
<i>PPP-</i>	<i>Public Private Partnership</i>
<i>SAARC -</i>	<i>South Asian Association for Regional Cooperation</i>
<i>SHCS -</i>	<i>School of Hotel and Catering Services</i>
<i>SNAP -</i>	<i>Strategic National Action Plan</i>
<i>STMP -</i>	<i>Second Tourism Master Plan</i>
<i>TEAM -</i>	<i>Tourism Employees Association of Maldives</i>
<i>TEC -</i>	<i>Tourism Emergency Centre</i>
<i>TEOC -</i>	<i>Tourism Emergency Operation Centre</i>
<i>TGST -</i>	<i>Tourism Goods and Services Tax</i>
<i>TSA -</i>	<i>Tourism Satellite Account</i>
<i>TTMP -</i>	<i>Third Tourism Master Plan</i>
<i>TVET -</i>	<i>Technical &amp; Vocational Education &amp; Training</i>
<i>UNDP -</i>	<i>United National Development Program</i>
<i>UNWTO -</i>	<i>United Nation World Tourism Organization</i>

## PREFACE

Celebrating 40 years of international tourism in the Maldives this year, I am pleased to note that the tourism sector has maintained an average growth of over 8% for the past decade making it the most economically active in the destination. Tourism has therefore contributed immensely to the national development and improving the standard of living of this island nation.

The Maldives Fourth Tourism Master Plan (4TMP) has been developed with a new thrust to ensure sustainability and perseverance to a well planned and regulated economic sector for the period from 2013-2017.

The Fourth Tourism Master Plan has been prepared with the technical assistance and support from our development partners; World Tourism Organization (UNWTO), United Nations Development Programme (UNDP), Asian Development Bank (ADB) and the World Bank (WB).

The 4TMP is the result of comprehensive private sector industry consultations, well contributed by a strong Advisory Committee that has endured beginning from the Review of the Third Tourism Master Plan (TTMP) in 2010 until the completion of the 4TMP.

I thank all the contributors involved in the preparation of the plan. My special thanks to Lead Planner and Consultant Mr. Lester D. Clark, Marketing consultant Mr. Robert Cleverdon, Economic consultant Mr. Keith H. Dokho, Environment consultant Dr. Ahmed Shaig, Human Resource Development consultant Mr. Wouter Schalken, Gender and Social consultant Ms. Joytsna and the Ministry's planning support team that created an enabling environment for the successful completion of the plan.

This plan is envisaged to provide a strategic direction for all, including the private sector, investors and new entrepreneurs aspiring to enter the Maldives tourism industry and provide public sector guidance for a more active role in the development of tourism within their respective mandates.

I wish to see the successful implementation of the 4TMP, development of tourism in a sustainable manner contributing to the national development and Maldives remain a highly sought-after competitive destination.

Ahmed Adheeb Abdul Ghafoor  
Minister of Tourism Arts & Culture  
27 September 2013



## 1 INTRODUCTION

### REASONS FOR A TOURISM MASTER PLAN

---

There is no legislative requirement for the Maldives government to prepare a tourism masterplan. Nor are there external agencies seeking a tourism masterplan as a conditionality of financing. The earliest tourism masterplans were about giving guidance to a fledging industry. They were blueprints for growth prepared by international experts. As the industry has grown and matured, the role of masterplans has changed. The third masterplan was less prescriptive and more strategic.

The aim of this fourth tourism masterplan (4TMP) is to articulate a 5-year strategic agenda and action plan agreed by both public and private players in the industry. Public and private sectors were involved in its preparation. The aim is that both sectors will be involved in its implementation. The planners have attempted to find a convergence of the interests of all players. Their aim has been to state the industry's interests clearly, not only to guide the tourism sector itself, but also to explain to others where tourism is heading and what help is required.

### CONTRIBUTORS

---

In 2012, the Minister established a 4TMP Masterplan Advisory Committee of distinguished industry leaders to give him advice during the 4TMP planning process. The Minister also convened a 4TMP Masterplan Technical Committee of government officials, technical experts and tourism industry representatives to guide the planning work. MOTAC then led the planning process to prepare the 4TMP. A team of consultants mobilized by international agencies assisted. The core planning team was:

1. Mr. Lester Clark, Tourism Planner and Team Leader, Asian Development Bank
2. Ms. Jyotsna Roy, Gender and Social Development, Asian Development Bank

- 
3. Mr. Wouter Schalken, Human Resource Development, United Nations Development Program
  4. Mr. Robert Cleverdon, Marketing Planner, United Nations World Tourism Organisation
  5. Mr. Keith Dokho, Business Dev& Economic Planner, The World Bank
  6. Dr. Ahmed Shaig, Environmental Planner, United Nations Development Program

Throughout the 4TMP preparation process the Planning Division of MOTAC maintained a secretariat for Advisory Committee and Technical Committee meetings and provided facilitators and counterparts to the planning team.

#### FORMAT AND APPROACH

---

At the suggestion of the 4TMP Advisory Committee, the Fourth Tourism Masterplan is in two volumes. Volume 1 presents Strategic Action Plan for Tourism, similar in format to the tourism strategies of other tourism destinations around the world that use shared, public/private decision-making to drive tourism policy. The United Nations World Tourism Organisation (UNWTO) recommended this approach for Maldives. Volume 2 follows more closely the pattern of previous Maldives tourism masterplans. It contains assessments of the component parts of Maldives tourism, tracing changes over time, and more detailed analysis of the proposed strategic directions going forward.

FOCAL POINT FOR FOLLOW UP

---

---

All queries about the 4TMP may be directed to:

Planning Division

Ministry of Tourism Arts & Culture

5<sup>th</sup> floor, Velaanaage

Male', Maldives.

Tel: (960) 332 3224, 332 3226

Fax: (960) 332 2512

Email: [planning@tourism.gov.mv](mailto:planning@tourism.gov.mv)

Website: [www.tourism.gov.mv](http://www.tourism.gov.mv)

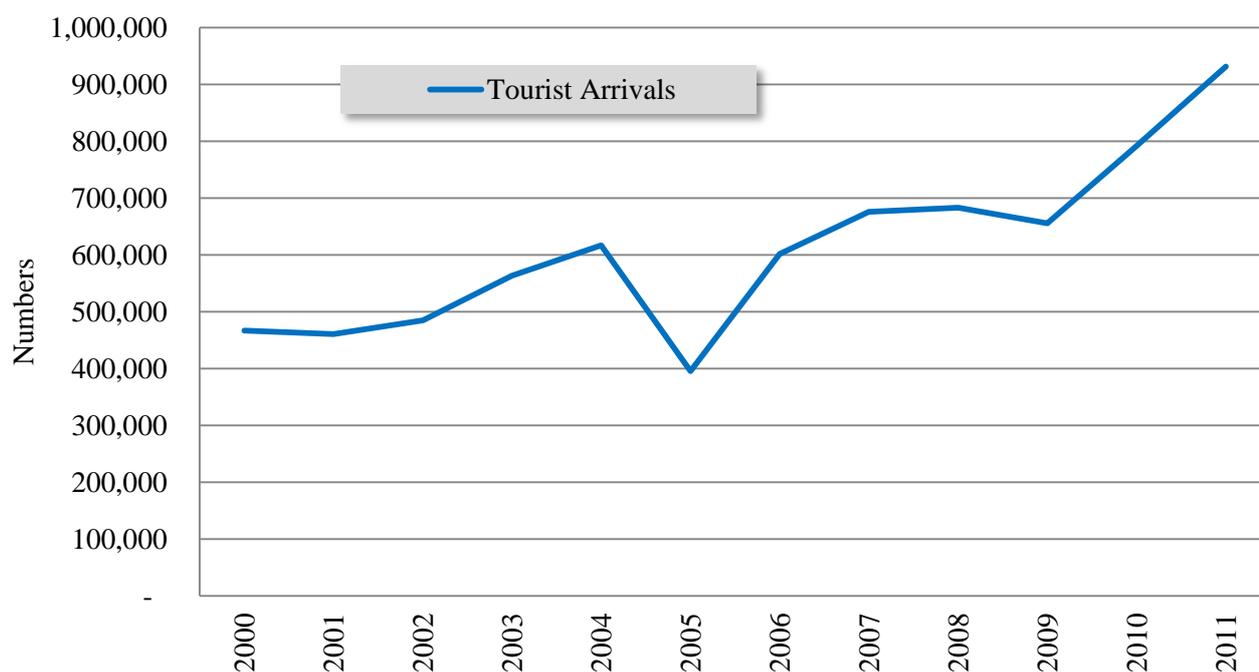
### ARRIVALS PERFORMANCE

---

The inherent volatility of an economy primarily dependent on tourism revenue compounds the effect of any decrease in tourist arrivals. Since 2000, there have been two noticeable downturns. The tsunami of 2004 resulted in a 33% decrease of total visitors while the global financial crisis (GFC) of 2008 created a lag effect in tourism for 2009. These have been the only significant downturns experienced by the Maldives tourism industry since its inception.

When compared to other island nations of its size, the growth trajectory of Maldives tourism has been a clear success story. When tourism officially began in 1972 only 1,000 tourists arrived that year. By 2011, that number had grown to 930,000. By the end 2012, arrivals are expected to exceed 1 million. Since its inclusion in international tourism statistics, Maldives' share of tourists from around the world has grown steadily from 0.02 percent in 1981 to 0.07 percent in 2009, an average 4.4 percent increase per year. For the past 10 years from 2002 to 2011 annual average growth in tourist arrivals to the Maldives was +9.5% per year.

Figure 2-1: Tourist Arrivals to the Maldives 2000– 2011



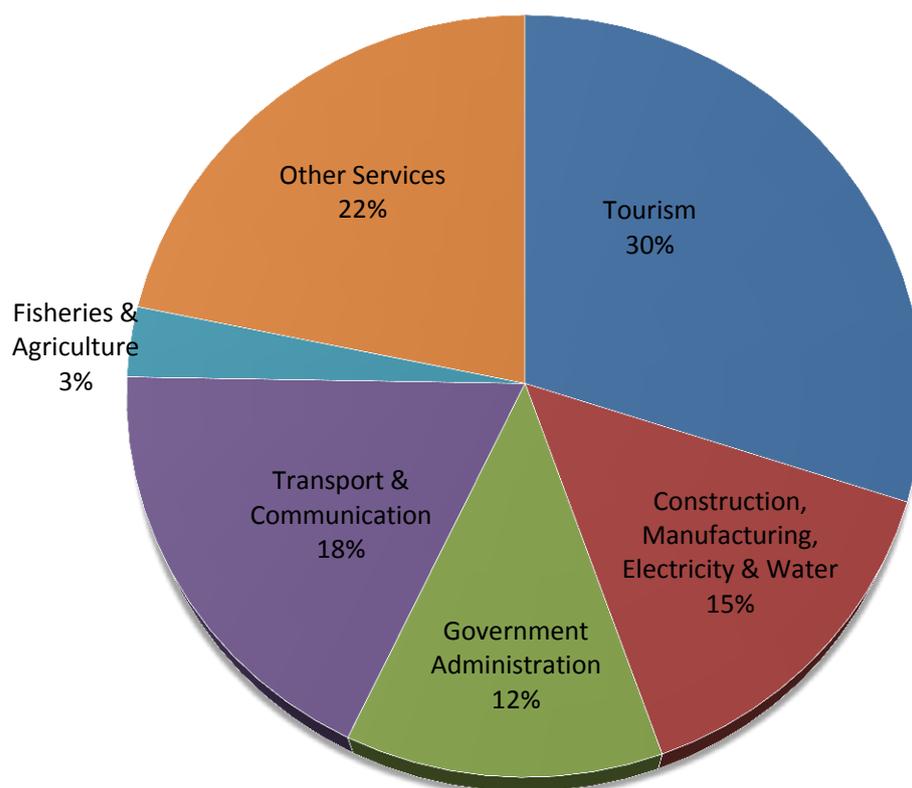
Source: Ministry of Tourism, Arts & Culture, (2012)

## ECONOMIC SIGNIFICANCE

In 2011, the tourism sector accounted for nearly 34% of direct Gross Domestic Product (GDP) and almost 75% when counting both direct and indirect. The disparity between direct and indirect GDP contributions illustrates that tourism is a cross-sectoral industry. Tourism serves as a link and stimulus to almost all other sectors of the economy such as transport, construction, trade, and financial services.

---

Figure 2-2: GDP by Sectors 2011



Source: Ministry of Tourism, Arts & Culture, (2012)

MOTAC publishes an annual Tourism Yearbook that contains a recap of the previous year's statistical information on the tourism industry. It highlights key indicators for the past five years and provides information on the performance of the Maldives tourism industry in the prior year.

## FINANCIAL SIGNIFICANCE

---

Government expenditures on tourism are very small compared to the overall contribution of the sector to the economy. Tables 2.2 and 2.3 were compiled by the Maldives Monetary Authority (MMA) to show a balance of payments. The figures illustrate expenditures trending downward with government spending less than half in 2011 of what it spent in 2007, despite tourism receipts experiencing double-digit growth (excluding 2009) during

that same period. This trend is less significant than it appears as the sector is largely private sector driven and government makes investments in other sectors that support tourism.

Table 2-1: Tourism Receipts and Growth Rates 2006 – 2011 (Million U.S. Dollars)

Year	Tourism Receipts 1/	Growth Rate (%)	Exports, FOB	Imports, CIF
2007	1,304.42	17.55	107.75	1,092.02
2008	1,437.02	10.17	125.87	1,382.11
2009	1,317.19	-8.34	76.37	962.53
2010	1,545.25	17.31	73.91	1,090.86
2011	1,868.20	20.90	114.81	1,328.55

Note: 1/-revised estimates based on GST data from MIRA. (Before the introduction of TGST in 2011, an estimation model was used which included tax returns and expenditures made by tourists in the resorts, souvenir shops, local transport, etc)

Sources: Maldives Monetary Authority and Customs Services

Table 2-2: Government Expenditure on Tourism 2006 – 2011 (Million Rufiyaa)

Year	Government Expenditure	Tourism Expenditure	% Share of Expenditure
2007	8,325.40	108.20	1.3
2008	10,342.40	93.30	0.9
2009	11,104.30	56.60	0.5
2010	9,976.10	45.40	0.5
2011	11,607.32	58.44	0.5

Source: Ministry of Finance and Treasury

---

## MARKET TRENDS

---

Throughout the 1970s, 1980s and 1990s, Europe accounted for between 70% and 80% of arrivals. The recent upward trend of Maldives holiday prices coupled with economic malaise in Europe has resulted in a decline in the European market. As Europe's share has fallen, so that of Asia has grown, reaching over 37% in 2011 and just under 40% over the first nine months of 2012. China and, to a lesser extent, Russia are emerging markets.

Table 2-3: Maldives' Tourist Source Markets, 2001 and 2011

Source Market	2001 arrivals'000	% of total arrivals	2011 arrivals'000	% of total arrivals
Germany	66	14	91	10
UK	77	17	105	11
Italy	116	25	83	9
France	31	7	60	6
Russia	4	1	64	7
Other Europe	70	15	135	15
<b>Total Europe</b>	<b>364</b>	<b>79</b>	<b>538</b>	<b>58</b>
Japan	42	9	36	4
China	7	2	199	21
Korea	5	1	25	3
India	8	2	31	3
All other markets	35	7	102	11
<b>Overall total</b>	<b>461</b>	<b>100</b>	<b>931</b>	<b>100</b>

Source: Ministry of Tourism, Arts & Culture, (2012)

## MOTIVATIONS

“Relaxation” (including ‘leisure,’ and “holiday’) is the predominant purpose of visit to Maldives. Furthermore, demand for this type of holiday appears to be growing, according to survey results. Honeymoon trips, which place a high value on the same attributes as the relaxation holidays, have shown a decline in market share, though for the Chinese market this is still the single main purpose of visit. Enquiries among European tour operators suggest that as the economic situation in the region improves this category of travel will strengthen again. While diving appears to be losing market share, this is principally because the fast growth Chinese market has only a very small diving segment.

Table 2-4: Purpose of Visit to Maldives, by Source Market, 2008 and 2011

Market	Relaxation		Honeymoon		Diving		Business		Other	
	2008	2011	2008	2011	2008	2011	2008	2011	2008	2011
<b>European (%)</b>	<b>64</b>	<b>78</b>	<b>19</b>	<b>8</b>	<b>15</b>	<b>12</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
<i>of which</i>										
UK	64	80	22	11	9	6	1	1	4	3
France	59	72	21	11	20	15	0	1	0	2
Germany	70	81	2	7	25	11	2	0	1	1
Italy	66	83	28	3	6	11	0	1	0	2
Switzerland	64	76	0	4	36	21	0	0	0	0
Other	59	74	29	9	8	12	0	1	4	4
<b>Asian (%)</b>	<b>30</b>	<b>41</b>	<b>56</b>	<b>43</b>	<b>2</b>	<b>4</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>6</b>
<i>of which</i>										
China	37	41	56	50	0	6	4	1	3	2
India	15	41	70	15	0	3	10	28	5	13
Japan	36	38	58	50	4	0	2	1	0	11

Other	23	41	47	35	4	9	17	7	9	8
<b>American (%)</b>	<b>56</b>	<b>59</b>	<b>16</b>	<b>18</b>	<b>20</b>	<b>15</b>	<b>0</b>	<b>4</b>	<b>8</b>	<b>4</b>
<b>Australasian (%)</b>	<b>11</b>	<b>54</b>	<b>68</b>	<b>30</b>	<b>5</b>	<b>1</b>	<b>11</b>	<b>1</b>	<b>5</b>	<b>14</b>
<b>Total (%)</b>	<b>55</b>	<b>64</b>	<b>28</b>	<b>20</b>	<b>11</b>	<b>10</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>4</b>

Source: Calculations based on 2008 and 2011 Tourist Opinion Surveys

## MARKET PROJECTIONS

Table 2-5: Estimates of Future Tourist Arrivals, 2016 and 2021

Source Market	% growth 2006-2011	2011 '000 arrivals	% growth 2011-2016	2016 '000 arrivals	% growth 2016-2021	2021 '000 arrivals
Europe	3.3 pa	53	4-7 pa	703	5 – 8 pa	963
Asia & Pacific	22.5 pa	349	15-20 pa	782	10 – 15 pa	1,409
Americas	17.0 pa	24	8-12 pa	39	8-12 pa	62
Middle East	27.2 pa	15	10-15 pa	27	10-15 pa	49
Africa	9.2 pa	6	8-12 pa	10	10-15 pa	17
<b>Total</b>	<b>9.1 pa</b>	<b>931</b>	<b>10-12 pa</b>	<b>1,561</b>	<b>8-11 pa</b>	<b>2,500</b>

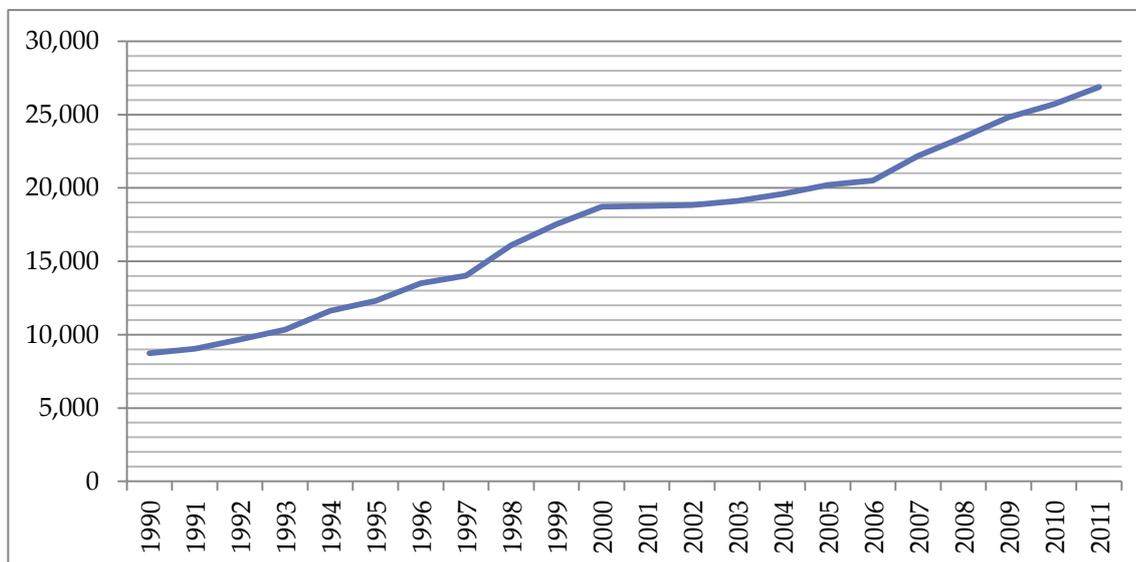
Source: Master Plan Team (2012)

---

## ACCOMMODATION

---

Figure 2-3: Tourist Accommodation Bed Capacity in the Maldives 2000 - 2011



Source: Ministry of Tourism, Arts & Culture (2012)

As at October 2012, MOTAC lists a total of 124 resorts and hotels offering a total bed capacity of 24,432 in operation in Maldives. In addition, just less than 2,000 beds are available in guesthouses and liveboard vessels, in the broad proportions of 1:3. A further 71 properties with a planned capacity of 10,432 beds are upcoming.

Available bed night capacity in resorts and hotels has grown from 6.4 million in 2007 to 8.2 million in 2011, an average annual growth of 6.4%. Tourist bed nights in resorts and hotels over the same period grew from 5.3 million to 6.4 million i.e. a rate of increase of 4.7%. In consequence of the supply rising faster than demand, occupancy rates declined from 82.5% in 2007 to 77.5% in 2011.

Table 2-6: Summary of Existing and upcoming resorts and hotels as of end October 2012

	Total		Existing		Upcoming	
	No of Facilities	Beds	No of Facilities	Beds	No of Facilities	Beds
<b>MathiUthuru Province (Upper North Province)</b>	15	3,003	4	553	11	2,450
HaaAlif Atoll	6	856	3	456	3	400
HaaDhaal Atoll	5	1,450	0	0	5	1,450
Shaviyani Atoll	4	697	1	97	3	600
<b>Uthuru Province (North Province)</b>	40	7,874	15	3,954	25	3,920
Noon Atoll	10	1,522	2	542	8	980
Raa Atoll	12	2,010	1	470	11	1,540
Baa Atoll	12	2,306	8	1,606	4	700
Lhaviyani Atoll	6	2,036	4	1,336	2	700
<b>MedhuUthuru Province (North Central Province)</b>	97	17,335	88	16,635	9	700
Male' (Capital)	17	1,495	16	1,295	1	200
Kaaf Atoll	50	9,532	43	9,132	7	400
AlifAlif Atoll	11	1,988	11	1,988	0	0
AlifDhaal Atoll	16	3,818	16	3,818	0	0
Vaav Atoll	3	502	2	402	1	100
<b>Medhu Province (Central Province)</b>	9	1,500	6	1,240	3	260
Meem Atoll	3	460	2	400	1	60
Faaf Atoll	1	250	1	250	0	0
Dhaal Atoll	5	790	3	590	2	200
<b>MedhuDhekunu Province (South Central Province)</b>	10	1,520	2	240	8	1,280
Thaa Atoll	3	580	0	0	3	580
Laam Atoll	7	940	2	240	5	700
<b>MathiDhekunu Province (Upper South Province)</b>	18	2,226	5	724	13	1,502
GaafAlif Atoll	11	1,372	4	524	7	848
GaafDhaal Atoll	7	854	1	200	6	654

Dekunu Province (South Province)	6	1,406	4	1,086	2	320
Gnaviyani Atoll	1	120	0	0	1	120
Seenu Atoll	5	1,286	4	1,086	1	200
<b>Grand Total (Existing + New)</b>	<b>195</b>	<b>34,864</b>	<b>124</b>	<b>24,432</b>	<b>71</b>	<b>10,432</b>

*Source: Ministry of Tourism, Arts & Culture (Oct 2012)*

The average utilisation of guesthouses and liveboard vessels, for which MOTAC has only collected data since 2010, was significantly lower than for resorts and hotels at 23.4% in 2011 when a total of 170,622 tourist bed nights were achieved by the more than 724,000 bed nights available in these forms of accommodation.

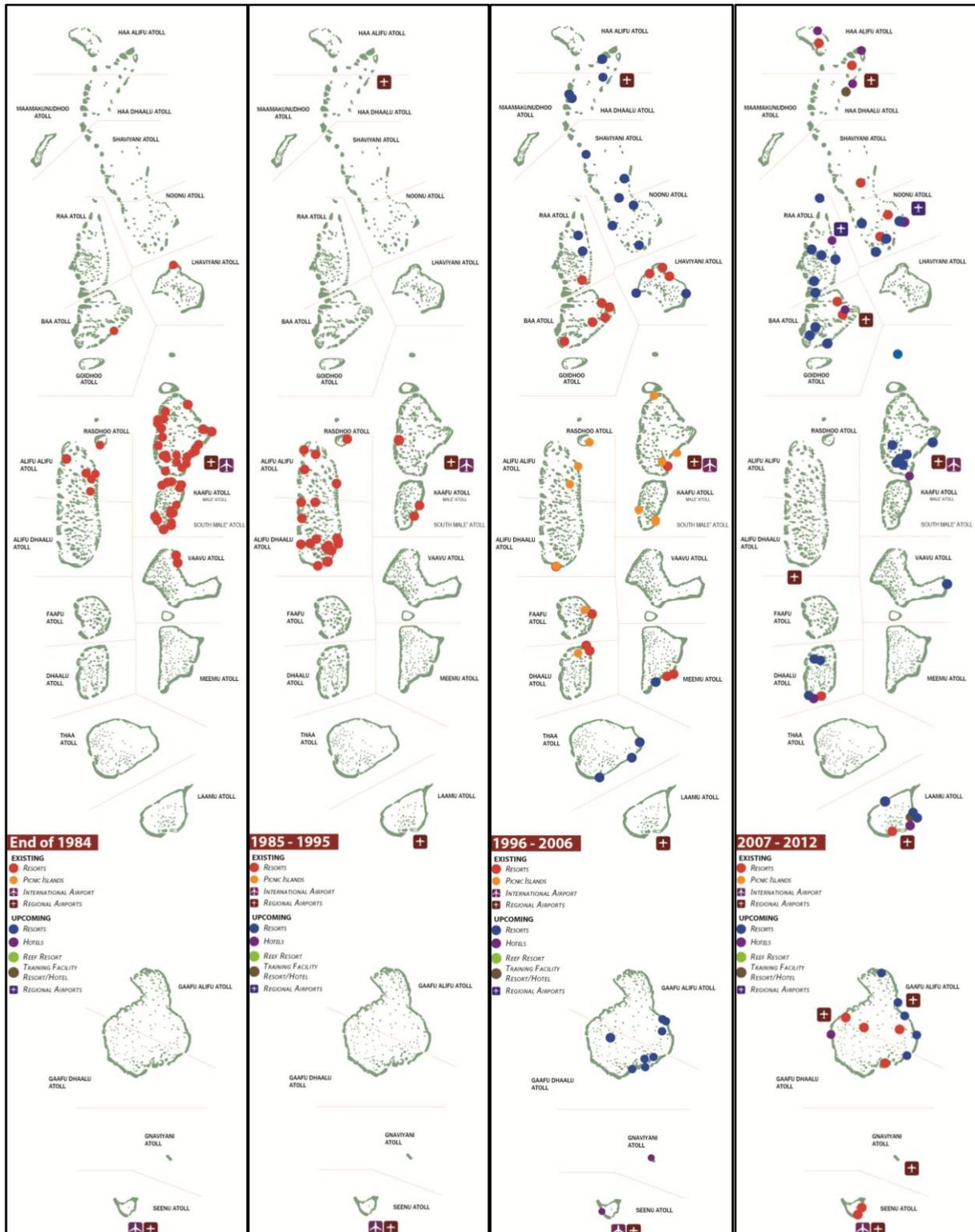
The average length of stay in resorts and hotels has declined from 8.5 nights in 2007 to 6.8 nights in 2011. This is almost entirely caused by the high growth in the Chinese market whose average length of stay is 3 or 4 nights, thereby bringing down the overall average.

#### GEOGRAPHIC SPREAD OF RESORTS AND HOTEL DEVELOPMENT

Maps tracing the evolution of resorts and hotels show concentration around Male' during the first two masterplan periods. Well documented in previous masterplans, the principal reason for this pattern was that the private sector-led growth took the pragmatic approach of developing around existing infrastructure. Previous masterplans rationalized this by suggesting a critical mass of development was required for economies of scale.

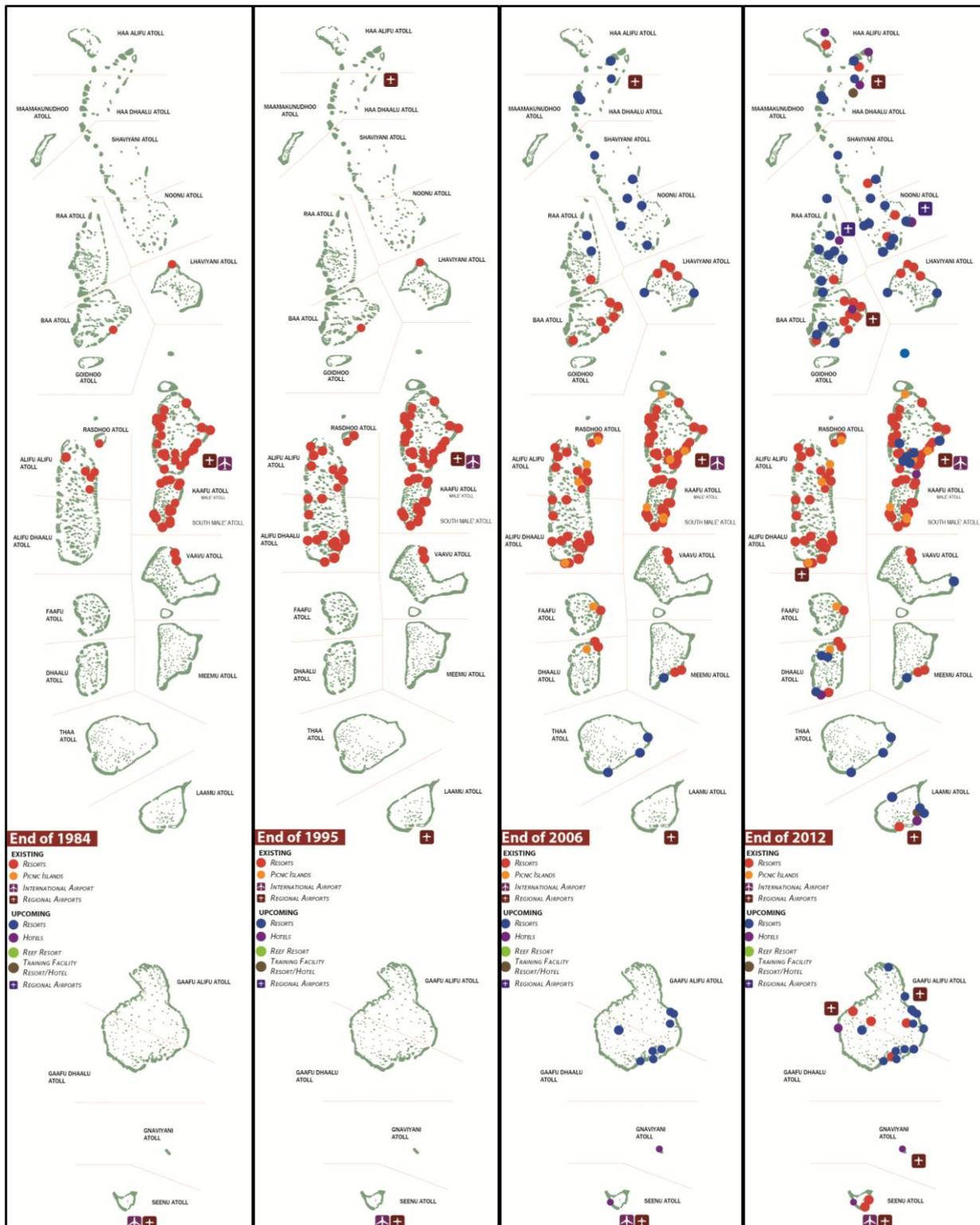
In any event, during the first two masterplan periods, development focused around Male' to a far greater extent than was originally planned.

Figure 2-4: Resorts and hotel developments before and between masterplans (also showing underdeveloped leases)



The introduction of seaplanes in the early 1900s had the effect of extending the range of the Male' hub.

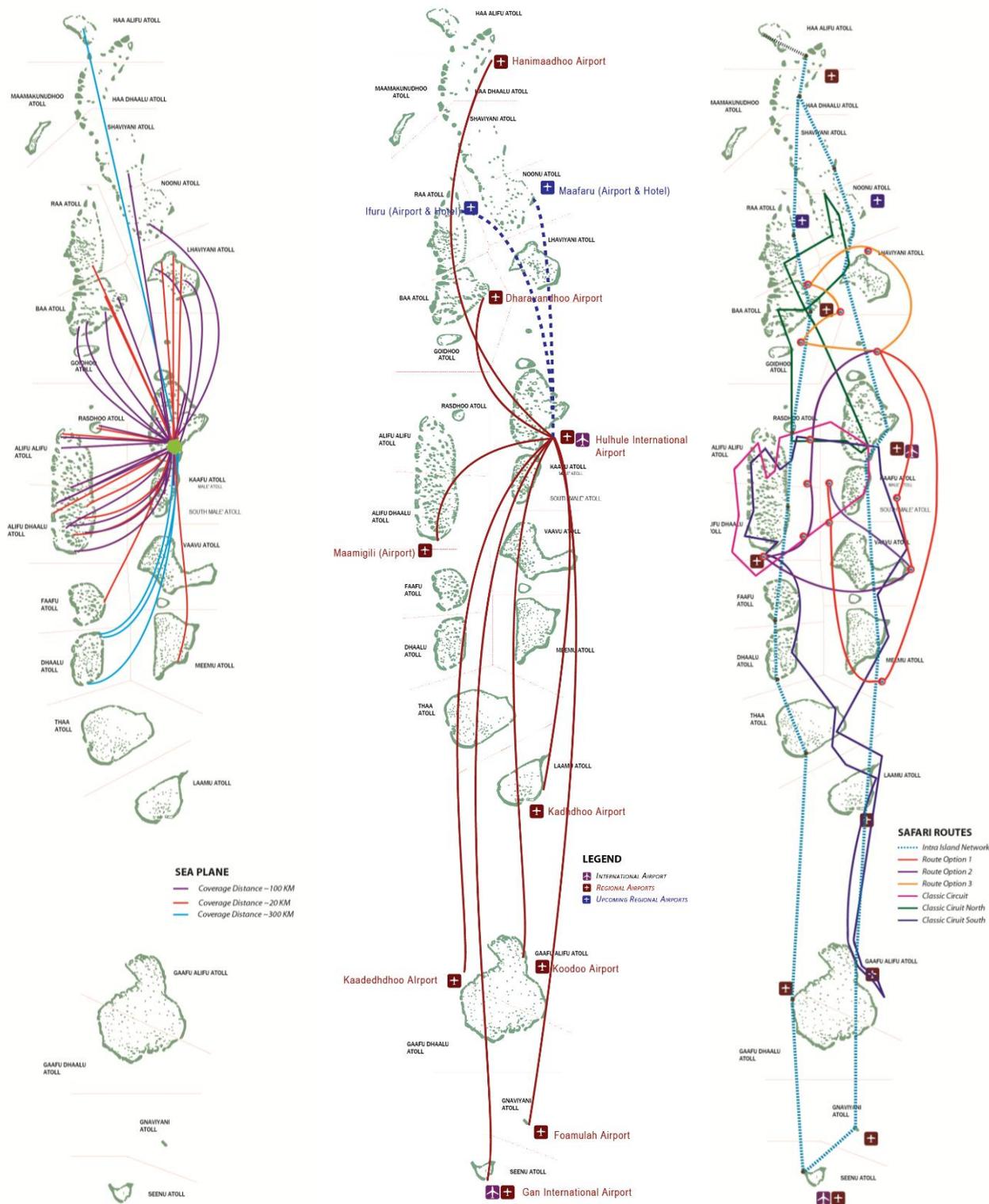
Figure 2-5: Accumulated development of resorts and hotels (also showing underdeveloped leases)



The 71 presently underdeveloped islands are mostly in the north and south, at the extreme edge of the range of the Male' hub.

## TRANSPORT

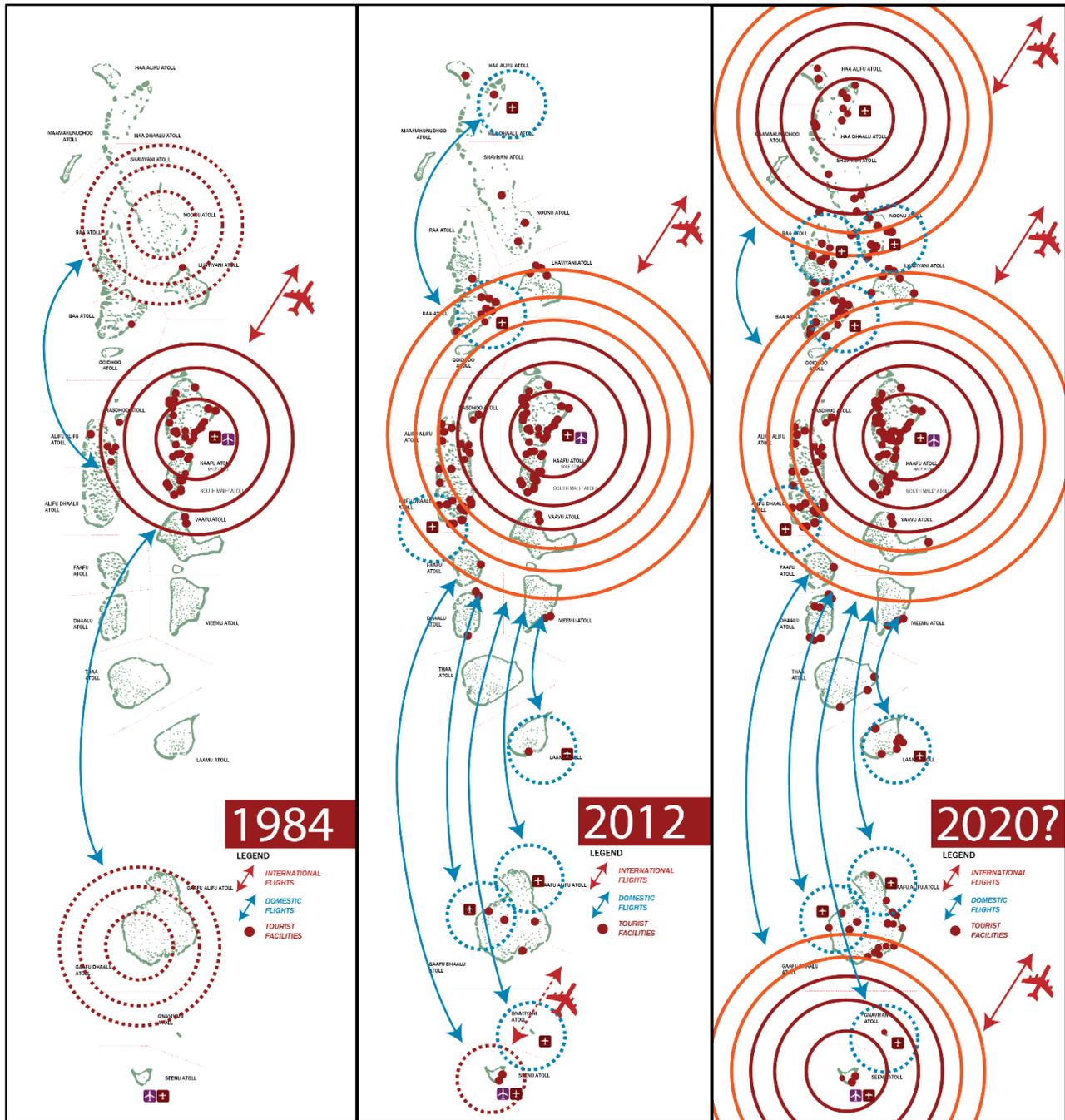
Figure 2-6: Seaplane Routes and Distances (Left), Existing and Upcoming domestic air linkages (Middle) and Common Safari Routes (Right)



Domestic transport patterns currently radiate from the Male' transport hub.

DEVELOPMENT PATTERNS

Figure 2-7: 1984=development concept proposed in the 1TMP / 2012= current situation / 2020? = possible high growth scenario



1TMP envisaged secondary transport hubs in the south and the north. At present, Male' remains the dominant hub. New domestic airports are creating mini-hubs. As previous masterplans suggested, priority is required to creating the secondary hubs. There is a

---

particular need for this at present because of the difficulties currently faced by the underdevelopment properties.

## PROJECTIONS AND TARGETS FOR THE TOURISM SECTOR

---

Because tourism is multi-faceted, analysis of the sector needs to reflect interplay between its different component parts. Tourism is also dynamic, so analysis needs to draw out the implications of past changes and trends as the basis for future paths and strategies. Thus, in the 4TMP planning process, the component parts of tourism were examined separately: policy context; markets and marketing; accommodation; activities and attractions; supporting services; access; conservation and environment; economic assessment; human resource development and industry organisation and governance.

Volume 2 is formatted in a manner that illustrates this planning approach. To begin each section, the history of the component is examined over time, using previous masterplans as benchmarks. Then the current issues are examined and conclusions drawn. For those who wish to understand the rationale behind the strategies of 4TMP, it is worth reading Volume 2. For those mainly interested in strategies and actions going forward, the Strategic Action Plan in the remainder of Volume 1 is a framework for implementation.

Based on the market projections in Table 2.5 above and assuming an effective partnership of the public and private sectors of Maldives tourism to drive implementation of the Strategic Action Plan, the key outcomes of the sector over the next masterplan period, 2013 to 2017, are projected as:

- Increase tourist arrivals from 1million to over 1.6 million, maintaining a 10% growth
- Increase average stayof tourists from 6.8 days to 7.2 days
- Increaseoperational tourist bed capacity from 25,000 beds to 35,500 beds
- Increase occupancy rate from 73% to 85%
- Increase bednights from 6.5million to 12 million, with an average growth of 10% p.a.

- 
- Increase local employees from 11,000 to 19,000
  - Increase local staff ratio from 45% to 50%

Table 2.6 illustrates further key performance projections going forward to 2021.

Table 2-7: Tourism Sector Key Performance Projections 2013 to 2021

Focus Area	Actuals		4TMP Targets & Projections								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Tourist Arrivals (000's)</b>	931	958	1,110	1,290	1,370	1,500	1,680	1,870	2,070	2,300	2,500
<b>Growth in Arrivals (%)</b>	17.6	2.9	11.0	16.2	6.2	9.5	12.0	11.3	10.7	11.1	8.7
<b>Average Stay (days)</b>	7.0	6.7	6.8	6.9	7.0	7.1	7.2	7.3	7.4	7.5	7.5
<b>Operational Bed Capacity(all facilities)</b>	24,470	25,063	26,606	28,577	29,667	34,866	38,589	42,665	47,563	50,759	56,238
<b>Occupancy Rate (%) *</b>	73.1	72.9	77.5	85.3	88.6	83.7	85.9	87.7	88.2	93.1	91.3
<b>Total Bed nights (000's)</b>	6,529	6,451	7,523	8,901	9,590	10,650	12,096	13,651	15,318	17,250	18,750
<b>Bednight growth %</b>	9.1	-1.2	10.6	18.3	7.7	11.1	13.6	12.9	12.2	12.6	8.7
<b>Est. Direct Employment no's **</b>	34,959	36,774	37,493	40,051	40,983	42,212	43,479	44,783	46,127	47,511	48,461
<b>Local staffing (%)</b>	45	45	45	45	45	50	50	50	55	55	60
<b>Est. Direct employment of Locals</b>	11,012	11,278	11,973	12,860	13,350	17,433	19,295	21,332	26,160	27,918	33,743

- *\*Based on Arrival and Operational Capacity*
- *\*\*Based on average per bed per staff ratio (1:1.5)*

---

### 3 STRATEGIC ACTION PLAN FOR TOURISM

The 4TMP Advisory Committee challenged the planning team to propose “bite-size” strategic changes that can be made in the next five years and around which the whole industry can join in an implementation partnership. The Committee asked that all complex analysis should be stripped away, leaving only clear statements of direction. The purpose of this Strategic Action Plan for Tourism therefore is to articulate a jointly agreed, 5-year agenda for Maldives tourism in a manner that both public and private sectors can relate to. It is designed for use by the industry to direct change, measure progress and to explain the industry’s strategies to other sectors whose agendas need to be aligned.

Broad statements of strategy lead off each section, followed by specific action points and performance measures for assessing progress. The Strategic Action Plan for Tourism has six main themes:

- i. Maintaining Maldives position in world markets
- ii. Managing environment and conservation issues
- iii. Engaging more Maldivians in tourism careers
- iv. Promoting sensible ways for communities to participate in tourism
- v. Promoting investment towards sustainable growth and high product quality
- vi. Efficiency in marketing and destination management

## 1. WE WILL MAINTAIN MALDIVES' POSITION IN WORLD MARKETS

*Our standing in the world tourism marketplace is very high and we want to keep it that way, maintaining the perception in source markets that Maldives is an unmatched destination for which tourists from all over the world are prepared to pay a premium.*

### Strategy 1.1. Working together to improve market analysis

*In an age of increasing destination competition and marketing sophistication, there is the need for a dedicated research cell in MMPRC to gather market information and feedback from the industry and undertake specific research in source markets and market segments as the basis for planning high impact marketing campaigns.*

#### Action 1.1.1. Improve MOTAC/MMPRC market research and analysis

*Need to extend the market and statistics function of MOTAC through the creation of a Research Officer post in MMPRC reporting to the Director responsible for statistics in MOTAC and routinely engaging with the industry on market intelligence.*

##### **Performance Measures:**

- Systematic research of tourist markets, including domestic market

##### **Guidelines:**

- Establish the Research Officer post with responsibilities for: i) undertaking desk-based research; ii) analysing market information from industry and overseas representatives; and iii) designing, overseeing the conduct of, and analysing consumer and trade surveys.
- Implement an online system for industry feedback on market trends and marketing performance.
- Develop a prioritised list of market surveys and studies.
- Prepare a procedure for market analysis based on statistics gathering plus ad hoc surveys and studies.

#### Action 1.1.2. Create a public / private partnership for Marketing

*Need to establish a closer marketing partnership within the industry through the creation of a Marketing Committee with representation from the proposed Maldives Federation of Tourism Associations and from MMPRC. Destination marketing through public / private partnerships, either formally or informally, is a well established trend in world tourism, represents the means*

*by which a destination can maintain its edge in the marketplace through smart strategies using the market experience of its operators and the international tourism distribution system.*

**Performance Measures:**

- More informed, more market-led and generally smarter decision-making by all in the industry.

**Guidelines:**

- Create a Marketing Committee to develop public/private agreement on market research and on destination marketing strategies and campaigns. (See also: Strategy 6.1 Formalising Partnership Arrangements between Industry and Government)
- Establish a routine procedure for analysing the impact of marketing campaigns in terms of generating arrivals, achieving market and segment penetration.
- Establish a routine procedure for disseminating market research results widely throughout the industry

## **Strategy 1.2. Working together on targeted Destination Marketing**

*The intensification of destination marketing competition places budgets under increasing pressure in the present difficult economic environment. Nonetheless, national tourism organisation (NTO) expenditure on marketing and promotion is still growing in line with the continued expansion of international tourism. No destination can scale back its marketing without a competing destination taking advantage. The priority is to ensure that all marketing efforts are highly targeted on the most productive markets and segments within those markets; and are fully coordinated between all major players. There can be no wastage, or conflicting messages that confuse the market. Value-for-money and return on investment are the key principles determining destination marketing.*

### **Action 1.2.1. Increase destination marketing budget**

*Need to increase the budget available for destination Maldives marketing, promotional and public relations activities to at least the global average of between US\$5 and US\$6 per arrival. The intensity of destination competition, and the consumer's growing awareness of the menu of destinations available around the world, create the need for Maldives to constantly reinforce its message of being a destination without parallel*

---

**Performance Measures:**

- A system of public and private sector partner funding in place for destination Maldives' marketing producing a budget equivalent to \$5 to 6 per tourist arrivals

**Guidelines:**

- Base the public and private sector partner funding arrangement on a principle that both sectors must agree for priorities expenditure, including for example, attendance at events or fairs.

**Action 1.2.2. Consolidate unique remote resort islands positioning**

*Need to maintain the overall positioning of Maldives as a unique tropical island destination, which consumers in all source markets aspire to visit.*

**Performance Measures:**

- Destination marketing initiatives based on the foundation of Maldives as an unparalleled destination with a unique combination of pristine marine nature and outstanding built facilities.

**Guidelines:**

- Instil this foundation positioning within all marketing collateral for all promotions
- Prioritise opportunities, including marine and maritime tourism fairs, where Maldives' foundation positioning can be showcased

**Action 1.2.3. Consolidate quality destination image**

*Need to gear all marketing, promotional and public relations activities to the maintenance of the perception and image of Maldives in all source markets as a "halo" destination*

**Performance Measures:**

- Evidence from source markets that Maldives retains and strengthens its standing as a "must visit" destination.

**Guidelines:**

- Build a menu of successful ways to express the quality, "halo" destination. In this context a halo destination is one at the top of every consumer's list of destinations in which they aspire to celebrate their most special life events, or undertake their most desired activities

- Use environmental quality and an environment-friendly industry as cornerstones in positioning.
- Seek collaboration of other export sectors in reinforcing Maldives as a quality brand

#### **Action 1.2.4. Allocate marketing resources strategically**

*In order to lessen dependence on a limited source region, and achieve a balance between generating regions, it is important for Maldives to both maintain the image of Maldives in traditional European markets while simultaneously investing in high growth markets and laying the foundations for developing newly emerging ones.*

##### **Performance Measures:**

- Extensive joint promotional activities between MMPRC and industry partners, both from within Maldives and among international tour operators and airlines.

##### **Guidelines:**

- Prepare an annual strategic market plan linked to the marketing budget
- Conduct of a spread of marketing, promotional and public relations activities across all major existing and opportunity source markets.
- Create separate, multi-partner working groups (combining MMPRC, Maldives tourism industry, airlines and overseas tour operators, as appropriate) for each market campaign.

#### **Action 1.2.5. Identify target market segments**

*Need to develop a series of segment-targeted positioning statements related to each of the main target market segments, identified through research-based analysis.*

##### **Performance Measures:**

- Achievements of forecasts set for source markets and segments in 4TMP.

##### **Guidelines:**

- Prioritise segment-specific promotions
- Seek to reduce dependence on a single market, especially where the seasonal patterns of demand complement each other producing a more even flow across the year.
- Maintain well targeted marketing efforts in all major and growing European

markets.

- Target markets where there are positive developments that facilitate access to Maldives - eg: growing patterns of overseas holiday-taking by wealthy classes in Middle East markets, allied to better air access.
- Monitor proposed route expansion plans of airlines and undertake appropriate marketing activities in conjunction with tour operators in time to take maximum advantage of these developments.

#### **Action 1.2.6. Regional tourism marketing**

*Need to respond to diplomatic priorities for regional tourism marketing with fellow South Asian countries in SAARC and other international frameworks*

##### **Performance Measures:**

- Maldives' premier branding acknowledged as useful for diplomatic advancements with neighbouring countries

##### **Guidelines:**

- Participate in regional destination awareness and public relations activities
- Build relationships with regional NTOs in South Asia and share market intelligence
- Avoid regional promotions involving multi-country packaging because of the difficulties of distance

### **Strategy 1.3. Working together to strengthen the “Sunny Side Of Life” branding, concentrating on new and innovative marketing approaches**

*No single marketing tool will maximise penetration an all market segments. However, the increased use of media that portray Maldives' images can achieve maximise impact. There are two strong reasons for a destination like Maldives to exploit the full range of existing and emerging forms of electronic technology in its future marketing efforts. First, Maldives' strength is its visual beauty which translates well to electronically transmitted images; and, second, marketing that uses the internet lends itself to measurement in terms of effectiveness more readily than other forms of activity*

#### **Action 1.3.1. Leverage "Sunny Side of Life" for target markets**

*Need to pursue the branding of “The Sunny Side of Life” with targeted positioning statements*

*directed towards main market segments.*

**Performance Measures:**

- Continued use of the “Sunny Side of Life” brand in all marketing campaigns with separate supporting positioning statements related to individual main segments.

**Guidelines:**

- Stress the different “sides of life” i.e. romantic, colourful, thrilling, spiritual, human

**Action 1.3.2. Coordinate visual images on websites**

*Need marketing activities with heavy emphasis on appropriate visual images on websites, maximising Maldives’ strong appeal through such imagery.*

**Performance Measures:**

- Establishment of Maldives sites on all social media that feature visitor feedback, photos and videos

**Guidelines:**

- MMPRC and industry operators should jointly engage with social media to implement systematic programmes of joint promotions and public relations activities.

**Action 1.3.3. Integrated social media interactions**

*Need to use all forms of electronic technology, including websites, Facebook, Twitter, Instagram, Pinterest, YouTube, and a Destination Smartphone app, as part of a social media marketing strategy, to take advantage of the growing and heavy usage of such sites and applications by prospective visitors to Maldives and the fact that Maldives’ strength is its visual beauty which translates well to electronically transmitted images.*

**Performance Measures:**

- Measurements of hits and other usage of the various social media.

**Guidelines:**

- Need to engage with and extensively use social media on aspects of the Maldives tourist product offering.

---

**Action 1.3.4. Less trade fairs, more roadshows**

*In order to achieve good value-for-money from marketing expenditure and to focus on the key producers of tourists to Maldives, there is the need to scale back on participation at overseas trade and consumer fairs, in favour of smaller, more focussed roadshows targeting tour operators and travel agents*

**Performance Measures:**

- Regular programmes of roadshows targeted at, and joint promotions with, tour operators, travel agents and airlines in all major source markets.

**Guidelines:**

- Take a highly selective approach to future participation at overseas consumer and trade fairs based on a detailed assessment of costs and returns in the form of new contracts.
- Give preference to highly targeted roadshow. (For example, it is estimated that a weeklong series of roadshows at three UK centres with invited tour operator, travel agency and media participants is approximately half the cost of participation at WTM.)

## 2. WE WILL DEAL TO ENVIRONMENTAL AND CONSERVATION ISSUES

*The entire industry depends on a wholesome environment and the conservation of nature. The tourism sector has strong interest in helping the agencies responsible for environment and conservation, both for the sake of the tourism industry itself, as well as for the sake of future generations of Maldivians.*

### Strategy 2.1. Improving waste management practices of local communities.

*The tourism industry is already proactive in terms of environmental management practices, often working well beyond regulatory requirements. The gap between tourism's performance and that of other sectors, particularly public sector services, is holding back overall improvements. Rather than continue to put up with Maldives tourism being the target of bad media coverage in this regard, the industry will engage with other sectors to help drive improvements in waste management.*

#### Action 2.1.1. Assist inhabited islands near resorts to establish a self-sustaining waste management system

*Need to reduce in non-biodegradable waste dumped onto coastal areas and into the ocean*

##### Performance Measures:

- Increased number of inhabited islands with a functioning sustainable waste management system, including a user-pays system, waste collection, awareness programmes, re-cycling and proper disposal.

##### Guidelines:

- Develop waste management plans for inhabited islands in atolls with tourism development with the assistance of tourism facilities in the area.
- Finance the initial implementation of the waste management plans in selected islands.
- Undertake awareness programmes on waste management for local communities.

**Action 2.1.2. Support government in establishing a proper waste management system on Thilafushi and regional waste reception facilities.**

*Need a proper waste management system on Thilafushi Island as an adequate final solid waste disposal facility and implementation of regional waste reception sites*

**Performance Measures:**

- Thilafushi Island ceases open burning of waste and establishes a proper waste management facility.
- Regional waste management facility in R. Vandoo island developed and operationalised with composting facilities
- Waste management and reception facilities developed in other regions
- Wet garbage dumping into the sea stopped from the tourism sector

**Guidelines:**

- Find a way to create an effective public/private partnership to implement a proper waste management facility in Thilafushi Island and to construct regional waste management sites across Maldives.

**Action 2.1.3. Work with local councils to establish proper waste management facilities in selected inhabited islands for live-aboard vessels.**

*Need to reduce non-biodegradable waste dumped into ocean and ensure the health and aesthetics of coral reefs*

**Performance Measures:**

- Reduced beaching of waste in resort island beaches.
- Reduced amount of waste found around coral reefs and in the ocean.

**Guidelines:**

- Find a way to create effective public/private partnerships to establish and support waste collection centres in selected inhabited islands across Maldives to cater for live-aboard vessels.

**Strategy 2.2. Developing and enforcing management plans for sensitive environments**

*The Environment Protection Agency (EPA) has identified a number of marine protected areas (MPAs) and sensitive environments across the Maldives and some have been established. These marine and terrestrial biodiversity hotspots are crucial for the environmental protection and nature*

conservation. However, efforts to manage these areas have been hampered due to the lack of proper management plans and mechanisms to enforce management plans. This has in some cases led to site overuse and resource sharing conflicts between tourism industry, fishermen and sand miners. A pilot management programme has been implemented in Baa Atoll involving the tourism industry in key roles implementing a UNESCO Biosphere Reserve. Similar programmes need to be introduced across all MPAs and sensitive environments, especially in places where the tourism industry is active.

**Action 2.2.1. Develop management plans for marine protected areas and designated sensitive environments**

*Need properly managed marine protected areas and designated sensitive environments to minimise human impacts with management plans developed in consultation with government agencies, related private sector industries and the public.*

**Performance Measures:**

- Increased number of MPAs and sensitive environments with management plans that are endorsed by government, community and industry.

**Guidelines:**

- Develop management plans for all MPAs in consultation with government agencies, related private sector industries and public.
- Encourage further industry and community support for the existing pilot programme in Baa Atoll and follow on from this programme with initial focus on MPAs frequented by divers and liveaboards
- Include in the plans clear mechanism to monitor and enforce management plan actions and procedures.

**Action 2.2.2. Establish a Tourism Planning Committee at national level with a mandate to assist the preparation and enforcement of MPA management plans and to settle grievances over natural resource use involving the tourism**

*Need an effective resource planning and dispute-settling body able to drive the preparation of management plans and to resolve conflicts associated with use of sensitive natural resources.*

**Performance Measures:**

- Industry-wide understanding that the Tourism Planning Committee is the place to resolve resource based conflicts
- Controlled use of sensitive sites with caps on visitor numbers

**Guidelines:**

- Establish the Tourism Planning Committee as a partnership between MOTAC and the tourism industry – see also Strategy 6.1 Formalising Partnership Arrangements between Industry and Government.
- In addition to overseeing preparation and enforcement of MPA management plans and settling grievances, the Tourism Planning Committee should have a mandate to advocate for “virgin islands” that are open to the public and without substantial development

**Strategy 2.3. Establishing marine managed areas in resort house reefs**

*The Maldives has announced a national level policy to make the entire country as a ‘biosphere reserve’. The house reefs of most resort islands are already well managed due to their importance to the tourism product, particularly in relation to aesthetics, snorkeling and diving. The tourism industry leads the way in environmental management and conservation in the Maldives. The announcement of the ‘biosphere reserve’ concept provides an opportunity for industry leaders to spearhead policy implementation that will help resorts manage house reefs.*

**Action 2.3.1. Help to drive the ‘biosphere reserve’ programme by setting up marine reserves with in house reefs or boundaries of resorts**

*Need to conserve and manage the marine environment around resort islands and tourism sector should help drive the national ‘biosphere reserve’ programme.*

**Performance Measures:**

- A national ‘biosphere reserve’ programme established with clear guidelines on zonation, management plans and enforcement
- The majority of resorts voluntarily participating in the implementation of the programme.

**Guidelines:**

- The whole tourism sector, including MOTAC and the private sector, should agree to support the national ‘biosphere reserve’ concept.
- Industry to actively participate in the formulation and implementation of process of guidelines, management plans and enforcement procedures.
- Undertake awareness campaigns for tourism sector workers and tourists.
- Promote the ‘biosphere reserve’ programme universally in all tourist

facilities.

- Advocate for further applications to UNESCO for additional Biosphere Reserve listings when management systems in place.

## Strategy 2.4. Implementing a “Responsible Visitor Programme”

*National level environmental management and conservation efforts by the tourism sector have so far been aimed at development and operational aspects. Tourist arrivals are set to reach a million for the first time by the end of 2012. The pattern in arrivals has also changed with an unprecedented increase in Asian market. The time is right to reevaluate the potential impacts of the high visitor numbers on the fragile environments of Maldives, particularly associated with the behaviour of tourists. Damage to coral reefs, high levels of energy consumption and increasing waste are examples of impacts that are affected by tourist behaviour. Thus, a national level campaign to guide visitor behavior in line with the environmental standards of the industry is required. This strategy will also assist the reputation of Maldives as a premier eco-friendly destination.*

### Action 2.4.1. Implement a “responsible visitor programme”, combining environmental and marketing motives.

*Need to align visitor awareness and behaviours with the conservation and environmental impact minimization efforts of the Maldives tourism industry and our eco-friendly destination image, and use visitor-focused messages to influence local community attitudes to environment and conservation.*

#### Performance Measures:

- A responsible visitor programme implemented through national and tourist facility level promotional activities.
- Increased number of tourist facilities implementing awareness activities on the responsible visitor programme
- Reduced damage to coral reefs due to inappropriate snorkeler or diver behaviour
- Reduced per capita energy consumption at resort level.
- Reduced per capita waste production.
- Greater awareness of environmental and conservation issues amongst local communities

---

**Guidelines:**

- Formulate a “responsible visitor programme” based on consultations with government agencies, tourism sector, NGOs and the public. The programme should identify incentivising options for waste minimization, reducing energy consumption, minimizing tourist impact footprint and minimizing tourist carbon footprint, among others.
- Incorporate the programme into national level marketing campaigns
- Conduct awareness activities focused on tourist facilities
- Develop a toolkit for tourist facilities to develop incentivizing activities under the programme.
- Seek opportunities to use this programme, which is targeted at visitors, to also influence attitudes of local communities

### **Strategy 2.5. Implementing climate change adaptation programme for tourism industry**

*The Maldives is considered one of the most vulnerable countries to predicted global climate change and its long-term survival has been questioned. In the medium term, impacts could include: seas may frequently inundate low lying islands; sea surface temperatures combined with sea level rise may affect the growth of corals and their natural adaptation abilities; and increasing severe weather may affect the ideal climatic conditions in Maldives. The tourism sector has been identified as being particularly vulnerable since resort islands are generally small, geomorphologically unstable, depend on healthy coral reefs and much of their infrastructure is located within 100 m of the shoreline. Climate change adaptation has been identified as a national priority and the time is right to initiate a long term programme for adaptation in the tourism sector.*

#### **Action 2.5.1. Initiate a national programme of long-term climate change adaptation in the tourism sector**

*Need to adapt the tourism industry to future climate change risks.*

**Performance Measures:**

- Key players in the tourism sector, both in the public and private sector, are aware of climate risks, options for mitigation, cost and benefits of common options and best practices in adaptation.
- Most stakeholders in the tourism sector are aware of the common vision, objectives, targets and implementation timelines for climate change

adaptation.
<ul style="list-style-type: none"> <li>▪ An increased number of sector stakeholders are initiating adaptation activities.</li> </ul>
<ul style="list-style-type: none"> <li>▪ At least 10 tourist resorts have invested in new climate risk management initiatives as climate change adaptation demonstration.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Maldives has access to climate risk insurance options and at least one climate risk financing solution.</li> </ul>
<b>Guidelines:</b>
<ul style="list-style-type: none"> <li>▪ Develop a phased capacity enhancement plan and initiate capacity building for key players in the tourism sector to understand the climate change risks, adaptation options and best practices in implementation.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Formulate, with industry and public sector participation, a national programme on climate change adaptation in tourism sector, identifying a long-term vision, objectives, key actions, targets and implementation timelines.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Develop guidelines and toolkits for climate change adaptation in tourism sector with an initial emphasis on new resorts, and redevelopment activities in existing resorts.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Formulate an addendum to the National Building Code and incrementally change the Code to incorporate climate resilience in all new tourist resort developments.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Formulate and implement at least ten climate change adaptation demonstration projects.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Formulate and undertake extensive awareness programmes on the climate vulnerability of tourism sector, the importance of no-regrets approach, options for climate risk financing and options available for implementing adaptation measures, including their costs and benefits.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Seek access to climate risk insurance options and at least one climate risk financing solution for Maldives.</li> </ul>

## Strategy 2.6. Implementing a low carbon programme for tourism industry

*The Maldives has become a symbol of climate change impacts, particularly sea level rise. It continues to play a lead role in making the world aware of the fate of small low-lying countries and in campaigning for action in reducing carbon emissions. In 2009 the government announced an ambitious plan to become carbon neutral by 2020. The motivations in this announcement were to show the world that it is a possible for a country to become carbon neutral and to reduce its high dependency on imported fossil fuels. The tourism industry is at the forefront of interactions with the outside world and depends heavily of fossil fuels. A long-term focus on adopting reliable and affordable energy from renewable resources (like sun, wind, sea and biomass) provides an opportunity to enhance our tourism development model, already well known for its sustainable practices. A low carbon path for development has been identified as key development strategy in Maldives as a whole. The time is right to introduce a long-term plan for such a programme for the tourism sector.*

### Action 2.6.1. Initiate a national low-carbon programme for the tourism sector

*Need to reduce dependency on imported fossil fuel and have the tourism industry take a lead in the national low carbon development strategy.*

#### **Performance Measures:**

- A national low carbon development programme formulated for the tourism sector
- Reduced imports of fossil fuels
- Reduced emissions from resort operations
- At least 75% of resorts to have implemented measures to reduce carbon by the end of 4TMP implementation period
- Increased awareness of green technology options

#### **Guidelines:**

- Develop and disseminate renewable energy options, guidelines and, toolkits for assessing energy efficiency and renewable energy development in tourism sector.
- Developed a phased capacity enhancement plan and initiate capacity building for key players in tourism to understand the benefits of low carbon options, technology options and best practices in implementation.

- Formulate, with industry and public sector participation, a national programme on low carbon approach in tourism sector, identifying a long-term vision, objectives, key actions, targets and implementation timelines.
- Formulate and undertake awareness programmes on the benefits of low carbon development to the tourism sector, the importance of reducing fuel dependency and options available for implementing energy efficiency and renewable energy, including their costs and benefits.
- Develop model carbon neutral resorts
- Where feasible, encourage resorts to base utility facilities in nearby communities, thus providing for better integration of resort operations with the island communities.

### **Strategy 2.7. Strengthening environmental monitoring for evidence-based decision making**

*The impact of tourism development on the environment has been heavily debated but there is a lack of data to determine for sure the extent of this impact. At present, since 1993, there are requirements as part of environmental impact assessments (EIAs) for detailed analysis of environmental conditions before constructing a tourist facility. There are also requirements for environmental monitoring for a specified period of time following construction, but this is rarely followed up. Apart from the regulatory requirements, there is also a need to continuously gather data on critical environmental aspects such as coral reef health and coastal erosion. Regular environmental monitoring data are required to make evidence-based planning decisions on proper environmental management and conservation measures.*

#### **Action 2.7.1. Partnership to strengthen evidence-based decision-making**

*Need to help environmental management agencies properly monitor the state of environments around tourism facilities, especially in regard to the health of coral reefs.*

##### **Performance Measures:**

- Increase in the number of follow-up actions in relation to monitoring requirements
- Increase in the number of resorts submitting environmental monitoring data regularly
- Growth in the number parties involved in the marine monitoring network

- 
- Environmental monitoring data collected and presented using a defined standard

- A mechanism to disseminate data implemented.

**Guidelines:**

- Strengthen the capacity of EPA to follow-up on environmental monitoring, reporting and data submission.

- Formulate and implement a standard for monitoring data collection procedures and data transfer.

- Establish a mechanism (preferably TIMS) to disseminate monitoring data to all interested parties including researchers, professional service providers and planners.

- Establish a network of industry and public sector resources partners to carryout and share health check data on coral reefs.

### 3. WE WILL ENGAGE MORE MALDIVIANS IN TOURISM CAREERS

*A recent UNDP/World Bank assessment of vulnerability and poverty in Maldives found that households with one or more members working in the tourism sector are more likely to escape the poverty thresholds than other households. However, only 15% of employed Maldivian men and 4% of employed Maldivian women work in the sector (Census 2006). A coherent strategy is needed for human resource management and the absorption of Maldivian workers into tourism. Beyond that, Maldives should aspire to building a tourism human resource development sector that is highly valued for its standards of vocational training and for the range of quality international career opportunities on offer.*

#### Strategy 3.1. Tourism Careers Awareness and Appreciation

*We need to increase pool of men and women interested in employment by enhancing awareness and appreciation of the value of tourism careers*

##### Action 3.1.1. Careers Awareness in School Curricular

*Need advocacy and information dissemination in schools to position tourism and tourism-related sectors as a favourable employment option, including for women and youth.*

###### **Performance Measures:**

- Students are made aware of the full range of tourism careers

###### **Guidelines:**

- Add curricular activities such as essay, drawing, crafts competition on topics related to tourism
- Initiate a resort visit programme for senior secondary school students
- Include an employment market access module for graduating students of secondary schools
- Include soft skills modules - communication, personal care, time-management, problem solving, negotiation, etc.
- Improved technical curriculum content and combine with practicals and field visits
- Showcase culturally acceptable occupations for girls / women

---

### **Action 3.1.2. Public sector-led campaign to change attitudes towards careers in tourism**

*Need information emphasizing the possibilities of employment in the industry, including for women and young school-leavers, outlining the working conditions, career opportunities, diversity, international exposure, remuneration contributes in building a positive image of the tourism industry as a favoured employment option for young people.*

#### **Performance Measures:**

- Interest in tourism careers is heightened

#### **Guidelines:**

- Promote profiles of resort employees
- Introduce linking back school visits by current staff
- Encourage CBOs and NGOs in tourism
- Introduce school cooking week
- Introduce a visitors language booklet
- Introduce atoll tourism week
- Help NGOs and women's development committees address challenges around female employment
- Seek donor funding for "infomercials" for television and radio to promote feasible and acceptable career choices for girls / women in tourism.

### **Action 3.1.3. Private sector-led campaign to engage families in the career choices of individuals**

*Need to change the image of tourism careers in the eyes of the entire family of individuals considering applying for tourism position*

#### **Performance Measures:**

- More youth engaging in tourism careers

#### **Guidelines:**

- Introduce a fair trade label "Maldivian & More"
- Include wider family in awareness programmes and in job interviews
- Consider industry self-regulation of Maldivian employment quotas by atoll
- Generate media exposure of pro-Maldivian employment in source markets

## Strategy 3.2. Careers Development and Qualifications

*We need to develop highly valued tourism qualifications based on the world-class opportunities for vocational training in Maldives, coupled with block courses on industry knowledge.*

### Action 3.2.1. World class national hospitality training programme

*If the public and private sectors of tourism can combine to deliver vocationally-oriented tourism qualifications of world standard, Maldives could become the best tourism training venue in Asia.*

#### Performance Measures:

- Certificate, diploma and degree level courses combining practical skills training through practical placements in resorts and hotels with block courses of full term study imparting vocational frameworks and industry knowledge
- World-class standards obtained and Maldives tourism training promoted internationally, thus leveraging growth in a new sector on the reputation of the tourism industry.
- The majority of tourism establishments in Maldives actively support a national hospitality training programme
- A training visa arrangement for international trainees in place to facilitate the national hospitality programme
- Increased vocationally-oriented/TVET certified employees at tourist establishments.
- Increased number of tourism establishments offering Apprenticeship programme for school leavers

#### Guidelines:

- Certify resorts for participation by taking practical placements
- Assess placements simply by time and exposure to vocational skills, signed off by HR Managers
- Assess knowledge by formal examination after each block course
- Share information online between resorts and training institutions

<ul style="list-style-type: none"> <li>▪ Consider a MOTAC- administered scholarship fund and pre-joining incentive payments</li> </ul>
<ul style="list-style-type: none"> <li>▪ If university cannot drive, open the door to an international tourism training school to lead the programme</li> </ul>
<ul style="list-style-type: none"> <li>▪ Seek international agency assistance to broker partnerships and develop appropriate infrastructure for delivering a world class national hospitality training programme</li> </ul>
<ul style="list-style-type: none"> <li>▪ Promote Maldives tourism qualifications as an export product, Maldives' entry into the world knowledge economy.</li> </ul>

**Strategy 3.3. Promoting Entrepreneurs**

*Recognising that employment in resorts and hotels is not the only vocational options, we need to encourage enterprise that is complementary to mainstream tourism*

**Action 3.3.1. Programme to encourage entrepreneurs at the atoll level.**

*Need to build capacity, create market linkages and open up economic opportunities for inhabited island communities –especially around developing entrepreneurship in the activities and attractions sector - thereby lowering the threshold for entering the tourism industry as a business owner.*

<p><b>Performance Measures:</b></p> <ul style="list-style-type: none"> <li>▪ Capable individuals regularly assisted to create and sustain businesses related to tourism on inhabited island</li> </ul>
<p><b>Guidelines:</b></p> <ul style="list-style-type: none"> <li>▪ Organise Island Tourism Associations</li> <li>▪ Develop Maldivian lifestyle tourism products for visitors</li> <li>▪ Create concessions for activities and attractions businesses on government land</li> <li>▪ Establish atoll forums for inclusive tourism</li> <li>▪ Promote future resort staff housing on inhabited islands</li> <li>▪ Take care to build from what has been achieved in the past in such programmes and to use existing collaborative partnerships of industry, community, donors and government where they exist, refocusing these</li> </ul>

efforts on attractions and activities to assist and complement the mainstream resort industry

### Strategy 3.4. Improved Governance around tourism HRD

*Need to establish an enabling environment for meaningful and sustainable development of human resources in the tourism industry, overcoming three hurdles: i) the confusing and conflicting mandates, responsibilities and procedures around human resources; ii) the weakness in enforcement and control of current policies and regulations and iii) weak and erratic communications between and amongst tourism's stakeholders.*

#### Action 3.4.1. Strengthening MOTAC's mandate in HRD

*Need to show strong support for coordinated HRD efforts in tourism sector amongst government, private sector and community stakeholders at national and island / atoll level.*

##### **Performance Measures:**

- Clearer allocation of responsibilities in the governance of tourism

##### **Guidelines:**

- Introduce a clear, user-friendly work permit system and enforce it.
- Encourage NGOs in community-based tourism
- Establish structured, thematic industry forums.
- Introduce atoll (province) industry representation
- Establish a working group of both public and private sector interests to foster better coordination of HRD in tourism

### Strategy 3.5. Positive Action for Women's Participation in Tourism

*Maldivian women are almost non-existent in the resorts sector. Key deterrents to women joining the tourism industry are the physical location and lack of facilities for women employees in the work places. Women in the tourism sector also face harassment as they in a non-traditional setting with other colleagues leading to unwanted attention and behaviours that are offensive and intimidating.*

#### Action 3.5.1. Career paths for women in tourism

*Need to encourage women to join the tourism sector by focusing on training them in the vocational and interpersonal skills to prepare them to be effective employees and by eliminating barriers such as harassment in the workplace, ensuring that tourism becomes women-friendly.*

---

<b>Performance Measures:</b>
------------------------------

- |  |
|--|
| <ul style="list-style-type: none"><li>▪ More Maldivian women employed in tourism</li></ul> |
|--|

<b>Guidelines:</b>
--------------------

- |   |
|---|
| <ul style="list-style-type: none"><li>▪ Encourage female students to join vocational and professional courses that will enable them to join the different parts of the tourism industry.</li></ul>            |
| <ul style="list-style-type: none"><li>▪ Establish career paths for women joining the tourism industry.</li></ul>  |
| <ul style="list-style-type: none"><li>▪ Encourage resort owners to reserve jobs for Maldivian women, assign separate hostels for women; and provide adequate transportation for live-out employees.</li></ul> |

<b>Action 3.5.2. Facilitating entrepreneurship among women in tourism</b>
---

<i>Need to establish systems, processes, structures, capacities and resources to facilitate entrepreneurship among women in tourism. Favorable conditions are required for the participation of women in developing SMEs to meet the requirements for diverse products and services in the tourism industry, especially in the activities and attractions sector.</i>
---

<b>Performance Measures:</b>
------------------------------

- |  |
|--|
| <ul style="list-style-type: none"><li>▪ Women entrepreneurs being supported and succeeding</li></ul> |
|--|

<b>Guidelines:</b>
--------------------

- |   |
|---|
| <ul style="list-style-type: none"><li>▪ Gender-sensitive value chain analysis for product identification</li></ul>  |
| <ul style="list-style-type: none"><li>▪ Access to and management of resources - credit, infrastructure, raw materials, equipment and tools, transportation, quality assurance market linkages</li></ul> |
| <ul style="list-style-type: none"><li>▪ Introduce skills development training for identified products</li></ul>   |
| <ul style="list-style-type: none"><li>▪ Introduce marketing platforms for products</li></ul>  |
| <ul style="list-style-type: none"><li>▪ Introduce interpersonal skills for increased effectiveness</li></ul>  |
| <ul style="list-style-type: none"><li>▪ Undertake data gathering and analysis to read trends in employment &amp; entrepreneurship among women</li></ul>   |
| <ul style="list-style-type: none"><li>▪ Strengthen and build the Women's Associations at island level</li></ul>   |
| <ul style="list-style-type: none"><li>▪ Use media use in portraying role models and also dissemination of information</li></ul>   |

### Action 3.5.3. Making Women feel Safe and be Safe at work in tourism

*Need to make women feel safe and be safe at work, free from violence and harassment. The ideal to strive for is an environment that assures safety from violence and harassment. Security and honour of women is used as a concern and reason for keeping them away from public areas and work places related to tourism. Violence and harassment have economic consequences for individuals, families and employers.*

#### **Performance Measures:**

- Women feel safer in the tourism workplace

#### **Guidelines:**

- Government to enact an instrument against all kinds of harassment, especially sexual harassment in the workplace and public places.
- Encourage resorts to have written strategies against sexual harassment and to exchange information on best practices to prevent, report and address such cases
- Provide short-stay homes with facilities and security for the victims and counsellors trained to support suffering women and children and so on
- Encourage resorts to recruit staff trained to handle violence and harassment cases and to include these issues in regular training programs for all employees
- Periodic monitoring and review of the implementation processes and follow up of complicated or complex cases
- Create a platform for public sharing of the data and trends on domestic violence be created at national, atoll and island levels
- Implement the Domestic Violence Act.
- Wide dissemination of the provisions of the Domestic Violence Act
- Encourage media reporting (eg “naming and shaming”) of perpetrators of violence.

## 4. WE WILL FIND SENSIBLE WAYS FOR COMMUNITIES TO PARTICIPATE IN TOURISM

*There is a strong appetite for wider participation in tourism from many sections of society. This enthusiasm needs to be channeled in ways that are commercially viable and that will complement mainstream tourism. At present, there is too much emphasis on the accommodation sector, especially guesthouses. Given that as yet there is no pattern of foreign FIT visitors to Maldives, apart from around the tourism transport hubs there are no obvious markets for large numbers of guesthouses. On inhabited islands away from the hubs, it will be better to focus support for community participation in tourism towards the activities and attractions sector for which there is a known interest from existing, mainstream markets.*

### Strategy 4.1. Island Roles in Tourism

*Careful planning is required, on atoll level and on an island-by-island basis, to match community aspirations and social/cultural constraints with real market opportunities. Decisions about what is best for tourism development at atoll and island level cannot be made by a blanket policy from Male'. Tourism planning much be site specific, involve communities and the industry and aim to establish "island roles" in tourism.*

#### Action 4.1.1. Programme to determine island roles in tourism

*Islands each have different advantages and potential to appeal to tourists. Identifying these strengths is fundamental to offering a competitive and diverse product. The best island roles in tourism will most often be those that complement the surrounding mainstream industry rather than attempt to present an alternative to it.*

##### Performance Measures:

- Atoll and island level tourism planning programmes initiated by MOTAC, supported by MED and donors, and by the industry
- Island councils, with input from the industry and local residents, work out what role their island can usefully play in nearby tourism patterns.
- The roles decided on are often in the attractions and activities sector and not often the accommodations sector, unless there is clear evidence of demand
- Tourism industry considers how it can best assist the development of activities and attractions on inhabited islands
- Communities agree to go down a development path in tourism

<ul style="list-style-type: none"> <li>▪ Ways are found to build the necessary capacity.</li> </ul>
<b>Guidelines:</b>
<ul style="list-style-type: none"> <li>▪ Participatory planning to decide levels and styles of engagement in tourism?</li> </ul>
<ul style="list-style-type: none"> <li>▪ Technical advice to assist the decision ‘what roles can our island do best?’</li> </ul>
<ul style="list-style-type: none"> <li>▪ Value chain analysis and assessments of potential for economic linkages</li> </ul>
<ul style="list-style-type: none"> <li>▪ Handicraft assessments and capacity building programmes led by high quality designers.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Plan local tourist travel options – eg for island hopping</li> </ul>
<ul style="list-style-type: none"> <li>▪ Assess assets and resources – cultural, historic, natural – for tourism</li> </ul>
<ul style="list-style-type: none"> <li>▪ Local farmer / fisherman markets for local product</li> </ul>
<ul style="list-style-type: none"> <li>▪ Residents should participate in discussions about if and how their island will engage in tourism.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Island councils need advice (e.g. value-chain analysis, tourism planning, etc) to help them see the roles their island can sensibly play. An island with an airport for example may play many roles as a service centre. Most often the best roles will be in the attractions and activities sector, complementing the accommodation provided by resorts and liveboards.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Once roles are determined, capacity building will be needed to develop the necessary skills. This can be expanded through donor-funding, international financial institution loans, NGO support, or combinations of these.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Seek MED’s assistance in ensuring cross-sectoral and interagency cooperation in the execution of this Action</li> </ul>

#### **Action 4.1.2. Awareness and capacity-building programmes for tourism development on inhabited island**

*National and international NGOs with development, conservation and social advancement agendas can usefully assist in capacity building at community level. International agencies will be needed for funding. NGOs may need training initially, then support to roll out programmes of community development through building the capacity of island residents to engage in tourism.*

#### **Performance Measures:**

- NGO community engaged and trained

<ul style="list-style-type: none"> <li>▪ Island Councils engaged in planning capacity building programmes</li> </ul>
<ul style="list-style-type: none"> <li>▪ Women’s development committees engaged in planning capacity building programmes</li> </ul>
<b>Guidelines:</b>
<ul style="list-style-type: none"> <li>▪ Requests for assistance need to go to international agencies</li> </ul>
<ul style="list-style-type: none"> <li>▪ NGO community needs to be engaged and motivated</li> </ul>
<ul style="list-style-type: none"> <li>▪ Focus on encouraging entrepreneurial skills in communities</li> </ul>
<ul style="list-style-type: none"> <li>▪ Focus on opportunities in the attractions and activities sector</li> </ul>

## Strategy 4.2. Mobilising support for community-level tourism

*While Maldives tourism is very sophisticated at the top end, at the community level Maldives lags behind the rest of Asia. Maldives needs to catch up. International agencies and the established tourism industry of Maldives have their own reasons to help. International agencies should be asked to help and be guided in appropriate directions. The private sector should be asked to engage with community development agendas in order to sustain social acceptance of tourism.*

### Action 4.2.1. Programme of international assistance to community tourism

*Throughout Asia there are examples of successful interventions using tourism as a tool for community development. Often, other agendas are combined (ecotourism, pro-poor tourism, inclusive tourism development, etc). Maldives has missed out on this activity because of the policy to separate tourism from society in the past. Communities are now reaching out to participate in tourism. A coordinated programme of technology transfers in community tourism is required.*

#### **Performance Measures:**

- Value-chain analysis completed in: shopping, guiding, crafts, transport, fishing, restaurants, agriculture, etc
- Pilot projects in SME development, employment generation, inclusive community development in these areas
- Pilot projects to develop capacity in these areas

#### **Guidelines:**

- Integrate community development with other agendas – conservation, environment, gender, etc.

- Value-chain follow-up, including rewarding resorts for local purchasing
- Skills development programmes for retail, guiding, crafts, fishing tours, etc
- Women’s Development Committees in programmes that integrate gender and other cross-cutting themes with community development initiatives

**Action 4.2.2. Resort managers meet regularly with Women’s Development Committees**

*The tourism industry should not be held responsible for government’s community development agendas on inhabited islands. However, because tourism involves basing experienced and knowledgeable people in remote places, the industry is often in a good position to give advice and occasionally help with community agendas. Ensuring regular meetings between the GM and HR managers of every resort in Maldives with the women’s development committee on the nearest inhabited island will help promote mutual understanding and harmonious neighbourhood relationships.*

**Performance Measures:**

- Industry-wide agreement to a protocol of regular meetings between GMs and local women’s development committees.
- Endorsement of the protocol by the Local Government Authority and by representative women development committees.
- An obligation to this effect placed in future lease agreements

**Guidelines:**

- Meeting agendas should revolve around maintaining social harmony and neighbourly relations
- Meeting minutes should be confidential to parties involved

## 5. WE WILL PROMOTE INVESTMENT TOWARDS SUSTAINABLE GROWTH AND HIGH PRODUCT QUALITY

*The problem of underdeveloped islands needs to be dealt with, new ways found to foster growth and new ways found to improve the quality of the visitor experience.*

### Strategy 5.1. Create a major new transport hub at Gan

*Creating a new transport hub at Gan will assist existing resorts and make undeveloped islands more viable for resort development.*

#### Action 5.1.1. Immediate development of southern transport hub based on Gan airport

*Investments have been made in projects with the expectation that supporting infrastructure was soon following. New investments are wary of first fronting the funds before infrastructure is in place because it is financially risky.*

##### Performance Measures:

- Infrastructure upgrades through private sector partnerships
- Investment activity has prompted new investment and developments by others, especially in the far atolls where many of the underdeveloped and financially struggling projects exist.

##### Guidelines:

- Gan airport runway extension
- Hub development concept plan
- Marina, seaplane base and cruise facilities
- Integrated hub development around Gan– city hotels, MICE, etc
- Increase in bed capacity to support Gan hub.
- A marina in Hulhumale' and potentially one in the south (following a feasibility study) will take the cruising industry to a new level and allow liveaboards and yachts to safely dock. This will make circuit travel a new dynamic product that will have the ability to link in islands that were previously excluded from the tourism economy. Second hub developed in Gan with international airport facilities able to handle long-haul wide-bodied aircraft.

## Strategy 5.2. Create a northern transport hub around Hanimaadhoo

*Creating a new northern transport hub around Hanimaadhoo Airport will assist existing resorts and make undeveloped islands more viable for resort development.*

### Action 5.2.1. Integrated plan for the northern transport hub

*Investments have been made in projects with the expectation that supporting infrastructure was soon following. New investments are wary of first fronting the funds before infrastructure is in place because it is financially risky.*

#### Performance Measures:

- An integrated plan for future infrastructure upgrades through private sector partnerships (i.e. airports, marinas, etc...)
- Airport developer found and engaged in the integrated planning
- The planning work has prompted new commitments to investment and development, especially in the far out atolls where underdeveloped and financially struggling projects exist

#### Guidelines:

- Address airport development finances
- Prepare a hub concept plan and development strategy
- Marina, seaplane base and cruise facilities
- Seek integrated hub development with necessary services
- Seek undertakings to increase bed capacity to support hub viability

## Strategy 5.3. Incentivise Investment

*In addition to new transport hub infrastructure, policy changes are required to improve the climate for investment in tourism*

### Action 5.3.1. Increase micro-lending at community level

*This financial product currently gives a favorable 6.5% rate compared with the normal 11 to 12% rate.*

#### Performance Measures:

- Greater access to finance for individual entrepreneurs and micro businesses.

Encourage growth in the tourism MSME market with better opportunity for success.

**Guidelines:**

- Partner with development banks to increase the capital offered under this program.
- Develop structured and sustained mechanisms for micro-small scale investment lending at community level
- Coordinate with NGOs to provide awareness training and access to finance for small entrepreneurs. Increase support of programs such as the UNDP's annual Partnership for Development conference.

**Action 5.3.2. Rent deferral for early project completion**

*Completion incentives encourage developers to finish projects and help them to begin the business in a sound financial situation, thus increasing liquidity for inevitable market downturns.*

**Performance Measures:**

- More projects completed early with land and tax revenue being generated.

**Guidelines:**

- Make the grace period on all new projects 36 months (currently 24-36 months).
- Extend an extra 6 months to select far out atolls that do not have the supporting infrastructure

**Action 5.3.3. Clarification and enforcement of business law**

*The current business legal environment is unclear to investors. Foreign banks and investors are often confused about policies and their legal rights.*

**Performance Measures:**

- Investor confidence and understanding of the Maldives business law environment and assurance that the policies set forth will be enforced.

**Guidelines:**

- Enhancement and promotion of the Ministry of Economic Development's website and more transparency through publications and investor forums.

- Increased formal dialogue between investors and Government officials to address concerns and apprehensions for investment into the Maldives.
- Encourage the Attorney General’s Office to lead a programme to translated all laws and regulations that impact the business, trading and investment environment into English language

## Strategy 5.4. Increase competitiveness

*While generally the market will be relied on to provide the range of products, there are a few area where government and private sector need to jointly take special interest to plan and promote product development.*

### Action 5.4.1. Programme to plan future tourism development at atoll level

*Many islands are organized in natural geographic clusters in atolls and around lagoons. These should be the basis for product development planning.*

#### Performance Measures:

- Developing certain islands in clusters will strengthen supply chains and cut overall operating costs.

#### Guidelines:

- Organize islands in a lagoon around a utility island (water, solid waste, electricity, laundry, etc...), which will cut costs. Utilize shallow reefs to lay power cables.
- Work with island councils to determine the placement of local guiding, sightseeing, historical interpretation, shopping, crafts, food, music, dive schools, *dhoni* sailing, fishing trips, etc...
- Develop a centralised marketplace on designated islands which will be conducive to business and strengthen cooperatives by taking the product straight to the local (versus the current local producer>Male>resort supply chain) marketplace with the cooperative manager selling directly to resorts and others. Centralized marketplaces on islands will also serve as a secondary tourism product for tourism day trip excursions from resorts.

## Strategy 5.5. Long-term financial sustainability

*Reforms required to ensure financial sustainability*

### Action 5.5.1. Tiered Taxation of Resorts

*Recognise the reality that some resorts have a distinct cost advantage based on geographic location.*

#### **Performance Measures:**

- A fair taxation of resorts based on cost of operations

#### **Guidelines:**

- Design a land rent taxation policy on resorts based on calculations of geography, infrastructure, and transport.
- Administer it by atolls and not individual resort to keep it objective and simple. This will also discourage potential corruption in the process
- Review when significant changes, such as a new airport, occur.

### Action 5.5.2. Prioritize resort development and write off toxic assets

*Underdeveloped islands are unrealized revenue for the Government and pose a serious threat to the overall health of the tourism industry. Many are currently so far indebted due to interest penalties and lack of liquidity that they will never resolve without decisive government action.*

#### **Performance Measures:**

- An increased tax revenue stream with at least 75% of current underdeveloped islands either operating or sold to a capable investor by 2014.

#### **Guidelines:**

- Create a tiered priority of addressing assets based on completion percentage, financial liquidity, and overall potential. If they cannot be resolved the properties must be repossessed and written off the Government balance sheet.
- There is currently little incentive for completely undeveloped properties (0% developed) to move forward. Pressure needs to be placed to develop or sell.
- Dealing with underdeveloped resort properties should have priority over

leasing additional islands for resort development

- Ensure commercial bank commitment, especially with Bank of Maldives, to help local entrepreneurs succeed when they have over 50% developed. It is more beneficial to finish a majority-completed project than to start the process over and finance a brand new venture. It will ensure a more immediate revenue stream for the government.
- Clear enforcement of contracts is needed, no exceptions made such as island swapping after agreements are signed).

### **Action 5.5.3. Enforcement of existing laws and contracts**

*There is no precedence for a bank having to foreclose for default on a loan secured by a mortgage of a resort.*

#### **Performance Measures:**

- A strengthened law on mortgages with a simplified and less time consuming process for banks and lenders.

#### **Guidelines:**

- Law on Mortgages and laws and regulations that relate to the sale and transfer of resort leases need to be reviewed and strengthened.
- MOTAC publishes the procedure for approval of forced sales by lenders.

## **Strategy 5.6. Local Business Development**

*Priority required to facilitating the development of SMEs*

### **Action 5.6.1. Formalise the guesthouse sector**

*The sector lacks directed growth and without proper data consolidation of information such as the status of new lease agreements and occupancy rates it is difficult to guide the development of the guesthouse sector.*

#### **Performance Measures:**

- A standardised and thriving guesthouse sector that integrates local entrepreneurs into the tourism sector.

#### **Guidelines:**

- Prepare regulations for guesthouses on inhabited islands.

- Develop a set of standards for guesthouse operations. This will encourage improvement of facilities and reassure the consumer regarding the quality of accommodation.
- Inventory and data consolidation with lease agreement status and occupancy rates.
- Pool resources to market the inhabited islands as a product and not individual guesthouses

### Action 5.6.2. Support of sea-based accommodation

*Sea-based accommodation is a growth area for the Maldives tourism industry and is a natural link for economic integration of less developed islands.*

#### **Performance Measures:**

- A better enabling environment for sea-based accommodation with seamless linkages to other products and attractions.

#### **Guidelines:**

- Safe marina and harbour facilities near Gan and Hulhumale
- Marina island complex development on Dhonakulhi Island per TTMP.
- Greater accessibility and rights to common sea areas
- Better inventory of registered boats with standard reporting requirements.
- Published guidelines to what constitutes a safari boat.
- Efficiency through planned circuit development by not eliminating the need to always return to Male for passenger loading and unloading.

### Action 5.6.3. Regulate foreign exchange licenses

*Foreign exchange licenses are not regulated closely and often feed a parallel market. MVR 15.42/US\$ official rate cannot compete with MVR16.5/US\$ minimum rate in the informal or parallel market.*

#### **Performance Measures:**

- A better regulated and controlled industry with less currency leakage.

#### **Guidelines:**

- Advocate within government for more rigid policy on license allocation and

---

enforcement of non-compliance.

- Limit licenses to traders because US\$ exchange collected is often spent directly on imports thus never hitting the formal banking system

#### **Action 5.6.4. Encourage currency retention and inflow by investors**

*The Maldives financial sector has very limited cash flows, which constrains it from investing in the tourism industry. An estimated over 90% of resorts have their projects financed off-shore, implying a periodic outflow of debt servicing (i.e. principle and interest) from the country*

##### **Performance Measures:**

- A more robust domestic financial sector with the working capital to accommodate larger loans to resorts.

##### **Guidelines:**

- Seek avenues to advocate for encouraging foreign currency retention and limiting currency outflow by investors to encourage balance of payments

## 6. WE WILL GET ORGANISED IN EFFECTIVE WAYS FOR DEVELOPMENT, MARKETING AND DESTINATION MANAGEMENT

*Tourism destinations that continue to succeed are well organized, with representative bodies for private sector interests and effective public / private decision-making processes that combine the power of government with the nimbleness and smart thinking of the private sector. There is a need for structural reform in the organisation of Maldives tourism.*

### Strategy 6.1. Reposition MATI as "Agent of Change"

*MATI should be "the tourism sector's chamber of commerce", highly valued by government, industry and society as a respected source of high-level advice to government and as the focal point for debate on all economic interventions in tourism. A particular role is envisaged for MATI in the implementation of 4TMP in brokering PPP arrangements to drive change around the tourism transport hubs.*

#### Action 6.1.1. Reposition MATI

*Need to release MATI from its current role of umbrella body for the whole industry and to reposition it in the role it does best, as a respected, powerful, private sector "agent of change" in an industry led by the private sector. Representing influential people who understand tourism, MATI should be acknowledged as a powerful vehicle for driving tourism development. Tourism destinations throughout Asia often seek, but do not have, such a useful vehicle*

#### Performance Measures:

- Internal industry debate results in agreement that MATI will step down from being the umbrella group for the whole industry.
- MATI agrees instead to be "the tourism industry's chamber of commerce", a source of high-level advice and guidance to government and focal point for debate on all matters associated with the economics and finances of tourism in Maldives.
- Government agrees to engage with MATI in order to pursue 4TMP tourism strategies

#### Guidelines:

- There may be no need for a change of name, nor of mandate, nor activities, except to release claim to representing the entire industry.
- The question of how the resort and hotel sector wishes to be represented is a

matter for the industry to decide.

- MATI to consider how to perform the “agent of change” role
- Government and MATI agree to protocols for broking PPP arrangements
- Changes will be required to MATI’s foundation documents and website

## Strategy 6.2. Consortia to plan and drive development of transport hubs

*The Male’ tourism gateway and hub needs to be better planned and its development better guided. The development of secondary transport hubs in the north and south has been called for by every tourism masterplan since 1TMP. There is a particular imperative for the secondary hubs now because underdeveloped islands need transport infrastructure support. MATI should be asked to broker consortia of investors, local authorities and tourism property owners to drive the planning and development agendas for the tourism transport hubs.*

### Action 6.2.1. Create consortium to drive development of Gan tourism transport hub

*Need a consortium to provide on-the-ground decision-making to drive development of the Gan transport hub*

#### **Performance Measures:**

- Consortium created of investors, local authorities and tourism property owners
- Funding partnerships arranged
- Terms of reference agreed

#### **Guidelines:**

- Initially, budget and TOR only for planning and advocacy
- In the long term, if successful, the consortium could be empowered as an "authority" to manage key hub functions
- Lessons from Government’s recent experiences with building airports by PPP should be brought to bear in decisions on funding and commissioning development work
- Ownership of facilities should be worked out on a case-by-case basis.
- Consortium / authority need not own land or facilities, but should include those who do.

### **Action 6.2.2. Create a consortium to drive development of Greater Male' tourism transport hub**

*Need a consortium for planning and development of the Greater Male' tourism transport hub. Safari boat sector should feature prominently, as should Male' City Council. Central government should set the consortium up, then step aside and encourage.*

#### **Performance Measures:**

- Consortium created of investors, local authorities, major transport operators
- Funding partnerships arranged
- Tourism and recreation strategy for Greater Male' completed
- Implementation of the tourism and recreation strategy driven by consortium.

#### **Guidelines:**

- The aim isto prove a rational planning framework for future development and revitalization of this vital gateway area
- Drive changes to Male' including: waterfront development and cruise centre, solid waste management, small scale infrastructure, beautification, historical interpretation (markers / signs), a "Maldives host" programme to train front line people (from customs officers to taxi drivers) in basic hospitality, and visitor information at airport and on Male'.

## **Strategy 6.3. Formalising Partnership Arrangements between Industry and Government**

*Need to re-energise presentation of the private sector tourism industry and create effective public / private partnerships for decision-making*

### **Action 6.3.1. Create a Federation of Tourism Associations**

*Need a new umbrella organisation as the apex tourism industry representative body and partner to MOTAC in planning and to MMPRC in marketing*

#### **Performance Measures:**

- New organisation created and working effectively.

#### **Guidelines:**

- The key functions of the federation could be: i) problem-solving; ii)

marketing iv) planning v) standards; and vi) tourism law.

- Rather than disempowering member associations, adopt a principle of involving member associations in any discussions affecting their sector.
- Federation should act as a clearinghouse for sharing information and an industry coordination body.
- Federation could have a newsletter. It should strive to create the sense of a cohesive Maldives tourism industry that knows where it is heading.

### **Action 6.3.2. Create planning and marketing committees**

*The new federation should partner with MOTAC on a Tourism Planning Committee that convenes as required to address resource sharing problems and physical planning issues and with MMPRC on a Marketing Committee with responsibility to plan and implement annual destination marketing plans.*

#### **Performance Measures:**

- Tourism Planning Committee established to address resource sharing and physical planning
- Tourism Marketing Committee established to plan and implement annual destination marketing plans.

#### **Guidelines:**

- In both cases, these standing committees should be chaired by government, but founded on the principle of finding ways that both public and private sectors should agree on decisions in all but exceptional cases.
- The Planning and Marketing Committee should be briefed to ensure integration of marketing and infrastructure development decisions – for example: ensuring adequate airport apron parking for private jets in order to back up Maldives positioning as a destination or top-end tourist markets.

### **Action 6.3.3. Create an annual tourism forum**

*Entire industry needs to set aside one day each year for tourism industry forum, the purpose of which is to air problems, allocate responsibilities for solutions and to actively review progress with implementing 4TMP.*

#### **Performance Measures:**

- Annual Tourism Forum established and running well

<ul style="list-style-type: none"> <li>▪ Accountability assigned for finding solutions to problems</li> </ul>
<ul style="list-style-type: none"> <li>▪ Effective monitoring of progress in implementing 4TMP</li> </ul>
<b>Guidelines:</b>
<ul style="list-style-type: none"> <li>▪ Agenda to be agreed between MOTAC, MMPRC and the Federation of Associations.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Aim for highest level representation from all organisations</li> </ul>
<ul style="list-style-type: none"> <li>▪ Give a press conference after each forum</li> </ul>

## Strategy 6.4. Capacity building in MOTAC

*Need to maintain and improve MOTAC's performance of its destination management roles*

### Action 6.4.1. Tourism law reform, including regulations and standards

*MOTAC has important destination management responsibilities around tourism law, regulations and the monitoring of standards. It needs to be responsive and responsible to the industry in these areas.*

#### Performance Measures:

- Well-developed regulations and safety standards for resorts and hotels, safari boats, other tourist vessels
- Well-developed regulations and safety standards for guesthouses and other tourism activities at community level.
- Revisions to tourism law as required

#### Guidelines:

- Reform needed to tourism resort regulations
- New regulations needed for needed for hotels on inhabited islands, guesthouses and tourism planning at atoll and island level
- Amendments to Tourism Act concerning leases, rental, implementation and monitoring, tourism planning at atoll and island level
- Maintain a long term agenda for major reform of Tourism Act

---

**Action 6.4.2. Within MOTAC, create an atoll and island tourism planning unit**

*Need to boost MOTAC's capacity to facilitate and assist tourism development planning at atoll and island level and a focal point for international assistance in tourism development at community level*

**Performance Measures:**

- Atoll and island tourism planning unit established in MOTAC

**Guidelines:**

- Unit should be set up to facilitate international assistance projects in tourism
- For continuity and retention of knowledge, all international assistance projects that involve tourism should be asked to contribute in some way to the unit, typically by contract personnel.
- Unit should include tourism planning expertise, environmental expertise (climate change / green tech) to address the needs of resorts
- Unit should also include community development expertise to manage the participatory planning at island level.
- Unit should maintain a comprehensive tourism information system, accessible online
- Unit should work collaboratively with, and not seek to duplicate the work of, existing entities such as Business Development Service Centers (BDSCs), Project Management Units of ongoing donor funded projects, relevant line ministries, Councils and NGOs

